MONDAY SPORTS
NFL PLAYOFFS
Page 19

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Andorra 8.50 F. Iran 115 Rials Qatar 1.000 Rials
Austria 35 S. Israel Neth. 4.00 Poland 15,000 Z.
Bahrain 0.800 Din Italy 2,200 Lire Portugal 130 Esc.
Belgium 35 B.Fr. Jordan 1 JD Qatar 8.00 Rials
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Denmark 12.00 D.Kr. Lebanon U.S.$1.10 Spain 175 Pes.
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Europe, After Iraqi Rebuff, Renews Offer of Talks

By Joseph Fitchett
International Herald Tribune

PARIS — The European Community renewed its offer Sunday of talks in Europe with Foreign Minister Tariq Aziz of Iraq, asking Baghdad to reconsider its refusal of the EC invitation.

It hinted that Europe remained receptive to 11th-hour political moves to delay international military action against Iraq after Jan. 15.

In spurning the offer of talks, extended Friday by EC foreign ministers, Iraq acted partly out of irritation at seeing the European allies continue deferring to Washington's lead, Western and Arab diplomats said.

But they said that Iraqi officials were also playing on European worries that the Bush administration was resigned to using force against Iraq, and on the frustration of European leaders at finding themselves without a role of their own in a crisis that only the United States has the military means to resolve.

European officials played down the risk of divergences in the international coalition and insisted that, as the United Nations deadline of Jan. 15 for an Iraqi pullout from Kuwait approached, diplomatic activity was bound to intensify as all allied governments sought to exhaust every possibility to force out Iraq without a war.

France, which has been leading EC efforts to negotiate with Iraq, pursued its diplomatic bid Sunday, with Michel Vauzelle, a confidant of President François Mitterrand's, traveling to Tunis, apparently for a meeting with the chairman of the Palestine Liberation Organization, Yasser Arafat. Mr. Vauzelle held nearly five hours of talks in Baghdad on Saturday with President Saddam Hussein. He returned to Paris on Sunday night, but it was not clear when he would brief Mr. Mitterrand.

Mr. Vauzelle, the chairman of the foreign relations committee in the French parliament, has described his trip as a private visit, but he is believed to be seeking to persuade Mr. Hussein that he can obtain political compensations if he withdraws from Kuwait.

The main incentive for Baghdad would be Western agreement to an international conference on the Palestinian problem. Any such trade-off would have to be a tacit deal, because Washington has rejected any linkage.

Mr. Hussein would need to be sure that any Iraqi deal was praised as an Arab victory by the Palestinians, and diplomats speculated Sunday that Mr. Vauzelle, in visiting Tunis, was seeking to determine what kind of PLO support a French-brokered offer might receive.

Secretary of State James A. Baker 3d, who is to meet with Mr. Aziz on Wednesday in Geneva, will talk with Mr. Mitterrand on Tuesday in Paris.

European officials acknowledged that some Bush administration officials feared that European governments were becoming jittery. But they discounted the possibility of Europe pursuing a separate policy toward Iraq.

"The public offer of talks shows our public opinion that we have our way of going the extra mile for peace, too," a French official said.

Mr. Mitterrand, as he has committed France increasing-

See ALLIES, Page 5

Hussein Tells Troops To Expect a Battle Of 'Great Sacrifices'

Compiled by Our Staff From Dispatches

BAGHDAD — President Saddam Hussein, showing no signs of flexibility before talks in Geneva on Wednesday between Iraqi and American officials, insisted Sunday that Kuwait belonged to Iraq and warned of a long and costly battle.

Mr. Hussein again linked any pullout from Kuwait to an Israeli withdrawal from the occupied territories, a stand that Washington has repeatedly rejected.

Mr. Hussein, in an address to the nation to mark Army Day, spoke repeatedly of "battles" and "struggles" and described Iraq's campaign as one targeting "corruption, foreign hegemony and economic injustice the world over."

Diplomats based in Baghdad described Mr. Hussein's speech as an attempt to raise the stakes ahead of the Geneva talks, in which Secretary of State James A. Baker 3d of the United States is scheduled to meet with Tariq Aziz, the Iraqi foreign minister.

Mr. Hussein said: "The battle for the unity of Iraq, after the glorious liberation of Kuwait from the injustices of the corrupt Al Sabahs, will not be short and its sacrifices will not be minimal." The Al Sabahs are Kuwait's ruling family.

Iraqi soldiers, he said, have the honor of "bearing arms against injustice and the unjust and against atheism and atheists."

As Iraqi officials have done unwaveringly since last August, Mr. Hussein insisted that Kuwait would remain part of "Iraq's geography and political edifice, now and in the future."

The talks Wednesday in Geneva come against the background of a Jan. 15 United Nations deadline, after which the United States and its allies will have UN authorization to drive Iraqi troops out of Kuwait.

Iran and the European Community both made new efforts Sunday to try to avert a Gulf war.

Iran urged the 46-nation Islamic Conference Organization to hold an emergency session in an effort to devise a peace initiative, and the EC repeated an invitation to Mr. Aziz to meet for talks.

On Saturday, Mr. Aziz rejected an earlier European proposal for a meeting.

Iraq's three main Arab opponents in the Gulf, Syria, Saudi Arabia and Egypt, said Sunday that U.S.-Iraqi talks this week represented the last hope for a settlement.

In a statement after two days of talks, the foreign ministers of the three countries described the Geneva talks as the "last chance for a peaceful settlement of the Gulf crisis." They warned that there could be no solution that did not include a total Iraqi withdrawal from Kuwait.

King Fahd of Saudi Arabia called on Mr. Hussein to avoid "the catastrophe of war" and pledged to support a settlement of Iraq's territorial dispute with Kuwait if it withdrew its troops.

President George Bush has ruled out any negotiations over Kuwait.

See IRAQ, Page 5

Crisis in the Gulf

In Baghdad, some diplomats see progress in peace efforts. Page 5.
Deadline isn't trigger, Bush said, but "time is running out." Page 5.
Mideast talks would follow an Iraqi pullout, an expert said. Page 2.



Claus Rebsch/The Associated Press

German troopers boarding a military jet in Hamburg on Sunday as a Luftwaffe unit was sent to Turkey under NATO orders to join the multinational Gulf force.

Iraq Manipulates EC, U.S. Says

Scowcroft Says Hussein 'Doesn't Yet Believe' Warnings

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — The White House national security adviser, Brent Scowcroft, suggested Sunday that the European Community was being manipulated by President Saddam Hussein of Iraq.

Asked in a televised interview Sunday why the United States was unwilling to send Secretary of State James A. Baker 3d to Baghdad on Jan. 12, as originally suggested by Iraq, Mr. Scowcroft said that the United States had offered 15 dates for such talks. He added:

"What we are not prepared to do is to let this again be another subject for manipulation, as he does with everything else, as he is doing now with the EC."

Mr. Scowcroft said the United States would make "one last attempt" in Geneva this week to convince Mr. Hussein that force will indeed be used if necessary to liberate Kuwait.

The Iraqi president "sees the array of force against him but he does not necessarily believe it will be used," Mr. Scowcroft said.

The White House view — that the Iraqi leader believes the United States and its allies are bluffing on the use of force — was underscored in remarks by Mr. Baker.

"There is only one chance for a peaceful solution, in my opinion, and that chance for peace is if they finally begin to realize over there in Iraq that the international community is serious," the secretary of state said, before leaving for Europe.

Asked whether the Geneva meeting would close the door to further high-level talks, Mr. Baker said, "I am closing the door."

According to Mr. Baker, Mr. Hussein's tough speech earlier Sunday, in which he told his armed forces to prepare for war, provided "further evidence of what we have feared for some time: that he really

See U.S., Page 5

U.S. Grows Wary of Soviet Drift Right

By Andrew Rosenthal
New York Times Service

WASHINGTON — The Bush administration is increasingly concerned about the political upheaval and drift to the right in the Soviet Union, which could lead to a deterioration of Soviet-American relations, senior officials said.

In one concrete sign of this problem, the officials said they believed a resurgence of Soviet military influence was behind what they called Soviet efforts to evade counting and verification rules in the treaty on reducing conventional weapons that was signed in November.

Congress has made it clear that the accord should not be submitted for approval until the dispute is settled, which will complicate efforts to move on to another treaty on cutting long-range nuclear weapons, according to senior officials at the White House and State Department who are involved in setting policy on the Soviet Union.

Some of these officials, and others with access to intelligence reports, said last week that political upheaval in the Soviet Union also was behind recent difficulties on such issues as verification and coding in that second treaty, which President George Bush hopes to sign in Moscow next month.

The United States has said it accepts President Mikhail S. Gorbachev's assurances that the Soviet Union wants to clear up both treaties. Soviet officials have told the United States that Kremlin foreign policy as a whole will not change and that Moscow will contin-

See SOVIET, Page 2

Vital Supplies Lacking, Doctors Assert

By Philip Shenon and Eric Schmitt
New York Times Service

RIYADH — Senior medical officers in the Gulf say they are prepared to treat heavy casualties in case of combat, but many of the doctors and nurses who will handle patients say they lack important medical supplies and modern equipment.

Casualty estimates, as well as numbers of hospital beds and medical personnel, are among the Pentagon's most closely held secrets. Officials say the information could tip off Iraq to the allied battle plan.

But military medical planners say they are relying on a range of equipment — from scores of 50-bed mobile Air Force field hospitals to fully equipped 1,000-bed navy hospital ships — in preparation for the "worst case."

That is an outcome that some experts — estimates differ widely — say could result in as many as 10,000 to 20,000 American wounded and dead among the 430,000 troops expected to be deployed in the region by the end of the month.

"We've been ready to manage the patients from the beginning," Colonel Robert P. Belihar, the military's senior medical officer in the Gulf, said in an interview. "Each and every day of this operation, the medical community has asked the question 'What if?' and then planned accordingly. We'll have thousands and thousands of beds."

Some doctors and nurses here, as well as congressional experts who have visited U.S. field hospitals, have voiced concern that official assurances are undercut by a shortage of specialized surgeons and nurses as well as such basic supplies as sutures and intravenous machines.

Although they say they are confident that they can provide basic medical care, a number of doctors and nurses warn that they are still without essential equipment, even though a war against Iraq may be only weeks, or even days, away. And some say they are being cut out of essential planning.

"We'll end up practicing medicine as it was practiced in the '50s or '60s," said a navy surgeon, Lieutenant Commander Bob Lynch, of Cincinnati, who has been frustrated by his inability to obtain advanced sutures for use in his mobile operating room in the Saudi desert.

"I don't think anybody is going to die because I don't have the sutures, but I could operate faster with them," he said. "We're a little frustrated that we don't have state-of-the-art equipment."

Five months after the first deployment of U.S. troops to the Gulf, the army is just now replacing the last of its Vietnam War-era field hospitals with larger, better-equipped units.

The navy has two 1,000-bed hospital ships off Bahrain. But at current staffing levels, the ships have only three-quarters of their full complement of doctors and nurses and, for now, each can handle about 500 patients at a time.

Navy officials say that ship staffing is planned with a built-in ability to expand quickly if casualties begin streaming in.

Other medical abilities are stretched to capacity. The military, which has already stepped up

See MEDIC, Page 5

Kiosk

UN Aide Asks Mideast Talks

AMMAN, Jordan (Reuters) — The president of the UN General Assembly, Guido de Marco, called Sunday for an international conference on the Middle East as a way solve the problems of Palestinians in the Israeli-occupied territories.

He issued the call during talks about the West Bank and Gaza Strip with Prime Minister Mudar Badran of Jordan. Palestinians in the territories have been engaged in an uprising against Israeli rule for three years.

The General Assembly voted last month in support of a peace conference and the Security Council has in principle agreed to the idea, strongly opposed by Israel.

General News

China sentenced seven protesters to terms ranging from two to four years. Page 2.
Pentagon procurement policies have created a dilemma on cost overruns. Page 3.
The U.S. Congress needs to sweep out the campaign cash, its alumni advise. Page 3.

Business / Finance

John Major said Britain's interest rates might come down as inflation drops. Page 7.
An EC official will meet with Latin leaders in an attempt to revive GATT talks. Page 7.

Crossword Page 10.
Weather Page 2.



Bons Horvai/Agence France Press

STORMS TAKE TOLL IN EUROPE — A resident of Warcq, France, delivering food Sunday in a flood after the Meuse rose 1.5 meters. In the British Isles, gales killed 28 people. Page 2.

U.S. Won't Use 'Mass Destruction' Arms

By R. Jeffrey Smith and Rick Atkinson
Washington Post Service

WASHINGTON — U.S. military leaders preparing for possible combat with Iraq have decided against using nuclear or chemical arms to destroy Iraqi military installations or in retaliation against Iraqi poison gas or germ warfare attacks, according to senior U.S. officials.

President George Bush has said that the United States would respond "in the strongest possible way" to an Iraqi attack using deadly germs or chemicals. Defense Secretary Dick Cheney said during a Dec. 23 visit to the Gulf that "were Saddam Hussein foolish enough to use weapons of mass destruction, the U.S. response would be absolutely overwhelming and it would be devastating."

But administration officials say such forceful language should not be interpreted as meaning that the United States plans to use nuclear or chemical weapons.

The decision not to use so-called "weapons of mass destruction" in the Gulf crisis reflects high confidence in the overwhelming firepower of U.S. conventional forces, as well as a desire not to compound the unpredictable political consequences of a military conflict, the officials said.

Some nuclear weapons are stored aboard U.S. naval vessels now in the Gulf and surrounding waters, but no effort has been made to deploy nuclear or chemical arms in Saudi Arabia or to incorporate them in U.S. planning for a military engagement, the officials said.

An official said during the weekend that the idea of using nuclear or chemical weapons had "never been on the table" in discussions among top policymakers at the White House. He said the ambiguity of the administration's public statements had been intended to maintain pressure on Mr. Hussein.

Some junior U.S. military officers in Saudi Arabia have advocated using, or at least threatening to use, nuclear weapons as a means of coercing an Iraqi withdrawal or early surrender. With such an outcome, the United States would avoid significant casualties in an extended ground assault on Iraqi forces entrenched in Kuwait.

Some officers have asked why

See COMBAT, Page 5

Italy Is Jettisoning a Token of Simplicity

By Clyde Haberman
New York Times Service

ROME — Obscured by oddments like the Gulf crisis and Western Europe's latest gyrations toward unity was a recent notice that a small piece of Italian tradition is about to fade away.

The small piece is known as the *gettone*, a ridged copper token that has been used for more than five decades to make calls from pay telephones. It is a simple device that makes it unnecessary to rejigger the phone's internal mechanism whenever the rates change.

But the phone company considers the gettone to be outmoded, and says that by the end of next year it should be phased out almost entirely, giving way to machines that accept only coins or prepaid, magnetically coded cards, which have been gaining popularity.

France had similar tokens, *jetons*, and there reportedly was little mourning when they started to disappear a few years ago, before the advent of magnetic cards. But some Italians expect the reaction here to be a bit different. In Italy, the gettone is an integral part of the daily routine, not just for making calls but for clearing life's many hurdles.

While technically it is not legal to use a gettone as currency, everyone accepts it as a full equivalent to a 200-lire coin, or about 18 cents. That is no paltry matter in a country where the search for a shopkeeper with small change sometimes makes Ahab's pursuit of the white whale seem like a fish shoot in a barrel.

The problem was acute a decade ago. Small coins all but disappeared, forcing stores to make change with pieces of candy and baubles. Since then, the situation has markedly improved. Still, many storeowners despair of the long lines that await them at local banks, and so they try to avoid going there even if the result is a coinless cash register.

Under such circumstances, the telephone token looms large as a coin of last resort, so much so that one restaurant owner in Rome says he will resist to the end before giving up his gettone-only pay phone.

Many of his regular customers are prominent politicians and assorted hangers-on, some of whom belong to the fast-shrinking tribe of Rome residents who do not walk about with cellular phones attached to their

See ROME, Page 2

هذا من الأصل

Mideast Talks Would Follow Pullout, Ex-U.K. Envoy Says

Sir Anthony Parsons, a retired British diplomat, is an expert on the Middle East. He is a former ambassador to the United Nations and to Iran, and a three-time Foreign Office undersecretary in charge of Middle Eastern affairs. He spoke with Leigh Bruce of the International Herald Tribune.

Q: Is there a realistic chance of a peaceful settlement of the Gulf crisis in Wednesday's talks between Secretary of State James A. Baker 3d and the Iraqi foreign minister, Tariq Aziz?

A: Saddam Hussein has already made his mind up whether he is going to withdraw by the middle of the month. We do not know what is in his mind. He is an absolute dictator. If the talks clarify the last shred of doubt in his mind that the United States really means business, this could help him to come to a decision to pull out. Then maybe the crisis will be over for the moment.

Q: Many analysts and officials have suggested that an Iraqi decision to withdraw before the Jan. 15 UN deadline might only delay an inevitable confrontation because it would leave an ambitious dictator in place armed with increasingly sophisticated weapons.

MONDAY Q&A

A. I am sure that if he does withdraw and totally fulfills Security Council resolutions there will be strong pressure to bring about the disarmament of Iraq. That is not going to gain regional support so long as other major states in the area — including Israel, including Syria, including Iran — are still saturated with high-tech weaponry.

So in my judgment there is a certain inexorable logic. Pressure on Iraq to disarm following withdrawal is going to lead to pressure for regional arms control and disarmament. That is going to produce a perfectly justified reaction from Israel that they have no intention of disarming so long as all their neighbors, except for Egypt, are at war with them.

So whether or not Saddam Hussein talks about linkage or whether or not people accept that notion, I can see that following a peaceful withdrawal the logic drives toward a major international initiative to solve Palestine.

Q: Are you saying that there should be a broad Middle Eastern conference after the Gulf crisis, and do you think there is any chance Israel will go along?

A: I know how cumbersome and ineffective enormous regional and indeed international conferences can be. But I think there are certain lessons we must take account of after this crisis. Because of East-West competition, because of West-West industrial competition, because of commercial advantage, because of perfectly valid obligations to friendly states, the industrialized world has transferred the most staggering quantity of weaponry plus military technology to the Middle East over the past 20 years or so.

The trend must be reversed. It's all very well to talk about disarmament, but arms are not the cause of war. The cause of war is political. If you're going to bring about arms control and disarmament you've got to tackle the political problems, and the political problems in the Middle East are essentially threefold. They are the Iran-Iraq quarrel, which goes back millennia; the security of the oil fields, and the Arab-Israeli problem.

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Q: If this week's talks fail, do there remain any further options short of war? Or do you agree with President George Bush that the Wednesday talks are the last chance?

A: On the anti-Saddam side, they probably are. I also think it is quite possible that Saddam Hussein might well decide actually to start pulling out. If he started to withdraw it would be extremely difficult for the United States to persuade its Arab allies that military action still had to be carried out.

Q: If the Jan. 15 deadline is breached and there is no sign of withdrawal, should there be a quick military initiative, or do you believe more time should be allowed for sanctions to work?

A: That option was ruled out when President Bush decided in November to reinforce the multinational force with an additional 150,000 troops. That changed the configuration from defensive to offensive. In the environment of eastern Saudi Arabia, once you put together such a massive force as that you cannot leave it hanging around for, say, one year. So that move accelerated the timetable, and made it pretty well inevitable that if he had not withdrawn by the early part of 1991 there was going to be a war.

Yeltsin Denies 'War of the Budgets' With Gorbachev Is Over

By Michael Dobbs
Washington Post Service

MOSCOW — Boris N. Yeltsin, the president of the Russian Republic, has challenged Kremlin assertions that a provisional agreement had been reached on financing the Soviet Union's 1991 budget, despite some narrowing of differences between the republics.

"We are talking about a war of the budgets," Mr. Yeltsin said.

He said the Russian Republic, which traditionally contributes more than half the federal budget, had made "enough concessions" to Moscow, and that the central government could save more money by further reducing military spending.

His comments, made Saturday, cast doubt on remarks last week by President Mikhail S. Gorbachev that representatives of all 15 republics had reached agreement in principle on an emergency economic stabilization program.

The statements also suggested that personal feud between the two most powerful politicians in the Soviet Union was far from over.

In a presidential decree on economic change, Mr. Gorbachev called Saturday for inventories to be made of unproductive state farms so the land can be distributed to private farmers.

The decree called for 7 million acres to 12 million acres (3 million hectares to 5 million hectares) of state-owned land — less than 1 percent of the total — to be redistributed by this spring.

As the largest and wealthiest republic, Russia holds the key to reaching a workable agreement on the budget. At a session of the full Soviet parliament last month, Mr. Gorbachev said a reduction in Russian contributions to the federal budget could bring economic chaos and the political disintegration of the country.

Mr. Yeltsin said that the Soviet Finance Ministry was still demanding an additional 27 billion rubles from Russia during 1991, or about 6 percent of the annual federal budget. That is $15 billion at the official rate. The federal government earlier had suggested that Russia was withholding 119 billion rubles.

"We're not agreeing to give the last 27 billion," Mr. Yeltsin said, "and we won't, since it directly contradicts our law." The request, he added, was "indecent" since it was not known how the money would be spent.

Mr. Yeltsin's view of the budget battle also differed from that given Thursday by the Russian information minister, Mikhail Poltoranin, after a meeting of the Federation Council, whose role is to settle disputes between the central government and the republics. In his remarks, Mr. Poltoranin did not dispute Mr. Gorbachev's assertion that a provisional agreement had been reached on how to finance the budget.

Mr. Yeltsin denied charges by Mr. Gorbachev that Russia was undermining the Soviet Union. He said Russia was in favor of signing an agreement on stabilizing the country's economic situation, but historically had borne too great a share of the federal budget, subsidizing other republics.

He said Russia submitted an alternative draft agreement to Mr. Gorbachev on Saturday.

Regarding the military budget, Mr. Yeltsin said Russia was willing to bear expenses related to the social needs of service members and their demobilization. But he said cuts could be made in the part of the budget earmarked for technical procurement and research and development.

The dispute between Russia and the Kremlin could affect the formation of a new federal government over the coming days. Mr. Yeltsin has insisted that Russia has the right to nominate key ministers in the government, but said Saturday that he did not know whether Mr. Gorbachev had accepted his proposals.



Luca Bruno, The Associated Press

ALBANIANS' LIBERTY MASS — Albanian refugees celebrating a Mass on Sunday at a campground in Filipiada, northern Greece. In Tirana, the Communist Party pardoned more than 200 political prisoners and said that all others imprisoned for political crimes might be freed. Observers said the move seemed aimed at meeting an opposition demand ahead of elections.

Urals Workers Utter 'S' Word

At Huge Factory, They Say It's Ownership or Strike

By Bill Keller
New York Times Service

SVERDLOVSK, U.S.S.R. — In November, workers battling management over the fate of the colossal Uralmash machine tool works here raised the stakes by changing one word in the name of their unofficial bargaining group.

The Workers Committee became the Strike Committee. The implicit threat sent a tremor through the heart of this country's most sensitive industry.

"We wanted them to know that if they do not meet our demands, we have the strike available as a last resort," said Valeri Bezrodnov, a committee member. "It's an extreme measure, but other measures don't work."

What the 45,000 workers of this Soviet factory are demanding is not more consumer goods, as the miners who shut Soviet coal pits in 1989 did, or higher pay, or a voice in running the company. They want to own it.

"We want to be the masters of the factory, not hired labor," said Mr. Bezrodnov, echoing a favorite slogan of President Mikhail S. Gorbachev's that is spreading confusion throughout the country's state-owned industries.

There is probably no better metaphor for the steel-intensive, energy-hungry, monopoly-based Soviet economy and its current miseries than the gigantic and secretive machine-building conglomerate called Uralmash.

Its cavernous, clanging workshops turn out everything from tank parts to washing machines, but its specialty is the production of giant machines for giant industries: strip-mining excavators, slab-casting machines, rolling mills, hydraulic presses, blast furnaces, crushers and derricks.

Prime Minister Nikolai I. Ryzhkov, who spent 25 years at Uralmash, including five as general director, is just one of the technocrats who emerged from it with a centralist, gigantist view of the economy.

It is a view still firmly held by the current Uralmash leadership, which views the campaign to privatize industry with scorn.

"Personally I think, and no one will convince me otherwise, that the main problem is that enterprises like ours have never been given a chance to run their own affairs," Anatoli S. Osintsev, the conglomerate's deputy director for economics, said.

Mr. Osintsev reckons that denationalization is, nonetheless, probably inevitable.

"The mood among workers — and not just workers, managers and scientists, too — is to have property," he said.

"It doesn't seem to me that it will change anything," he said. "This mania to divide, to get a share, and then expect everybody to work better — I don't believe in it."

Everyone here agrees that without some drastic changes, Uralmash and the once proud sector it represents are in danger of going the way of the mastodon.

Close to the divide between Europe and Asia, Uralmash was built in 1933 to provide the machinery for Stalin's crash industrialization of the Urals and Siberia to the east.

Whenever the country needed something new, it turned to Uralmash: excavators to strip the quarries of Siberia, then tanks to fend off the Nazis, and then oil- and gas-drilling rigs for exploring beneath the tundra.

"Up to a certain point, we had no problem managing the enterprise," said Mr. Osintsev, who has worked at the plant for 30 years.

"Then things started getting a bit out of control, and we began flying by the seat of our pants."

In many respects, Uralmash is a victim of Mr. Gorbachev.

With the signing of arms treaties, the demand for tank and other weapons parts has fallen by a third since 1988.

The liberation of Eastern Europe has meant the demise of the Soviet economic bloc, the Council for Mutual Economic Assistance, or Comecon, whose obedient member nations were major customers.

"We supplied excavators to Bulgaria, and they supplied us with tomatoes," said Victor V. Yavich, who works in the Uralmash legal department. "It was barter, although the transactions were recorded in a kind of fictional currency."

But with the turn of the year, business among the Comecon countries has switched over to transactions in hard currency.

The Bulgarians have informed Uralmash that since they are now spending real money, the Soviets can now expect competition from the Americans, the Japanese and others.

Domestic users of Uralmash machinery, given somewhat more control over their own budgets, have also become tougher customers.

Uralmash managers insist that they can compete on the world market, but not without major modernization. The factory admits that it has had problems with deadlines, service and spare parts.

"We don't have enough orders for 1991, and there is no guarantee that what we produce will be sold," said Mr. Bezrodnov of the Strike Committee, who operates a mill in one of Uralmash's workshops. He fears a "catastrophic" layoff, perhaps up to 50 percent.

Factory insiders say some talented scientists and engineers are leaving for jobs in cooperatives, the largely independent workshops and laboratories that are another Gorbachev experiment.

SOVIET: *Washington-Moscow Momentum Is Slowing*

(Continued from page 1)

ue cooperating in the Gulf and on other issues.

But the officials acknowledged that for the first time since Mr. Bush took office, indeed perhaps since Mr. Gorbachev himself took power in 1985, the forward momentum in Soviet-American affairs is slowing.

Even without any change in Soviet foreign policy, officials said, a crackdown on political activity in the Soviet Union could make the way Moscow handles its internal affairs a negative force in Soviet-American relations, just as it was during the Cold War.

Citing the Soviet military's takeover last week of a Latvian printing plant, a senior policymaker said, "There is no question that some of these strongarm tactics, if they continue, are going to cause problems in the U.S.-Soviet relationship."

That, officials said, could could make it harder for Mr. Bush to maintain the warm relationship with Mr. Gorbachev that is so central to Soviet-American relations.

Not only would that pose difficulties for a president who relies on his personal contacts, but it comes at a bad time: Mr. Gorbachev's cooperation in the Gulf has been pivotal to Mr. Bush's ability to build and hold together the coalition against Iraq.

As Mr. Gorbachev works to bring order to his country, such considerations will require Washington to strike what a senior official called a "fine balance" between self-interest, like insuring Soviet cooperation in the Gulf, and broader principles like freedom of political expression.

"Everything that Gorbachev does he is bound to say is designed to help promote the reform process, and I don't doubt that's what he means," another said. "But even if you don't intend things to happen, there are consequences of relying on the old forms of government. It's one thing if there are ethnic pogroms and you have to stop killing. It's something else if you are denying people the right to express themselves politically."

There are differences among American officials over how much Mr. Gorbachev is threatened and how far he would go in exercising his powers. But there is a consensus that the political situation in the Soviet Union is likely to worsen.

In a recent television interview, Mr. Bush said, "As these republics assert more and more removal from the center, independence you might say, and as the economic conditions get worse, I think his problems are getting more complicated."

Administration officials said they do not know exactly how strong Mr. Gorbachev's position is and cannot predict with confidence his next moves. Some officials said they would not be surprised if Mr. Gorbachev imposed martial law, or some less dramatic form of "presidential rule" selectively, in areas where separatist movements or ethnic tensions are particularly strong. "But we do not expect anything like a nationwide imposition of martial law," an official said.

Although the administration has been concerned for some time about a drift to the right in the Soviet Union, the resignation of Foreign Minister Eduard A. Shevardnadze sharply escalated their worries. On Dec. 22, Mr. Bush noted Mr. Shevardnadze's warnings of an impending dictatorship and added, "Obviously, people are concerned about, are wondering about the concerns raised and expressed by Mr. Shevardnadze."

Chinese Protesters Get 2 to 4 Years

By Lena H. Sun
Washington Post Service

BEIJING — The authorities have sentenced seven activists, including four student leaders on a government "most-wanted" list, to prison terms ranging from two to four years for their participation in democracy demonstrations in the spring of 1989.

The four students were the first on the list of 21 most-wanted student ringleaders to be tried.

The sentences were considered lenient by Chinese standards and appeared to be in keeping with the government's intention to treat the students lightly. Several intellectuals and some students have quietly been released in recent days.

But intellectuals accused of playing major roles in the demonstrations were expected to be punished much more severely, to give legitimacy to the government's assertion that the 1989 protests were a "counterrevolution," Chinese and Western sources said.

Several of those intellectuals, arrested after the army crushed the protests in June 1989, have been formally charged in recent weeks and are awaiting trial. Chief among them are two scholars, Wang Juntao and Chen Ziming, who have been charged with sedition, which is punishable by death.

The most prominent of the student leaders, Wang Dan, who headed the most-wanted list, awaits trial. At least four other students on the list are in custody.

The sentences, handed out Saturday by the Beijing Municipal Intermediate People's Court, included deprivation of political rights for some of the defendants, according to the official Xinhua press agency.

The court said the defendants had been found guilty of inciting subversion against the government, organizing attacks against martial law forces or gathering crowds to disrupt public order.

It said the defendants had been tried separately, had confessed and had been represented by lawyers or relatives who argued on their behalf.

Among the student leaders, a four-year sentence was given to Wang Youcai, No. 15 on the most-wanted list. Mr. Wang, 25, a physics student at Beijing University, was a member of the Beijing Autonomous Students Federation, the group that organized and coordinated most of the student protests. He was accused of attempting to organize resistance in Shanghai after the crackdown.

ROME: *Italians Are Jettisoning a Token of Simplicity*

(Continued from page 1)

ears. These people need a public phone that works, the restaurant owner says, and his gettone machine has withstood the test of time. To him, the new telephone cards are a form of electronic alchemy, inspiring no confidence.

He is not alone in doubting phone company innovations.

The company's surveys show, for example, that one pay phone of every 12 on Italy's streets does not work. But many people suspect the ratio is appreciably higher, given the lamentable state of public services that, most Italians admit, are the bane of this, the world's sixth largest economy west of Minsk or east of Vladivostok.

Actually, until the other day Italy thought it was the fifth largest.

The country had puffed out its chest five years ago when it seemed to have moved up a notch, thanks to a statistical recalibration that took account of the sizable underground economy. There it was, "*Il Sorpasso*," the overtaking of Britain that put Italy behind only the United States, Japan, Germany and France.

But a European Community report this past week told Italians that, sorry, the figures had been rechecked and it seems that they not only are No. 6 once again but also have been No. 6 throughout the last five years, once factors like real purchasing power are taken into account.

Whatever its proper place, Italy has entered 1991 in a downbeat mood. Opinion polls show that Italians foresee a worsening economy and a high probability of yet another government collapse.

But there are bright spots, and one is that a sixth-place economic force cannot be expected to have the same level of public services as a fifth-place power. That is some consolation, however scant, for the millions of Italians who have had it with late-running trains, strike-bound planes, phones that fail, health services that further afflict the afflicted and mails that go through now and again.

According to Corriere della Sera, a respected national daily, only 52 percent of all telephone calls here reach their intended destination.

As for the mails, the latest government figures show rapid improvement. Two years ago, it took the average letter 8.5 days to go from one point to another within Italy. Now, the post office says, the delivery time has been trimmed, on average, to 4 days, 15 hours.

A report last month by Censis, the country's principal gatherer of statistics, concluded that Italians are fed up with the poor quality of their public services. There is a "new culture of saying no," Censis said, adding that more and more people are crying out, "*Basta!*"

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Gales in British Isles Kill at Least 28

Reuters

LONDON — At least 28 people were killed as gales swept across the British Isles this weekend, including 10 of the crew of a Maltese-registered ship, 6 Swiss tourists and a beach-walking couple swept to sea.

The ship, the 1,000-ton Kimya, capsized off the British coast early Sunday. The coast guard in Wales said that 10 members of the multinational crew were killed or presumed dead.

Two Polish sailors were rescued. Four bodies were recovered from the sea and an all-night search for six other crewmen was called off later on Sunday.

Across the Irish Sea, 14 people died, including a group of Swiss visitors, when Atlantic gales lashed Ireland.

The six Swiss, on a hunting trip in western Ireland, were killed Saturday along with an Irish teenager when their van was crushed by a falling tree near Galway.

As the search for crewmen missing from the Kimya was abandoned, another rescue mission got under way for a British-registered fishing boat, the Greenland, missing off the west coast of Ireland with 15 people on board.

The Kimya had sailed from Spain for the northern English port of Liverpool with a cargo of sunflower oil. It was skippered by a Norwegian with a crew of Poles, Portuguese and Ghanaians.

Off Brighton, England, the authorities abandoned an air and sea search for a British couple swept away while walking on the beach at the southern resort.

WORLD BRIEFS

460 Evacuated From Somali Capital

NAIROBI (Combined Dispatches) — More than 460 foreign nationals trapped by civil war in Mogadishu, the Somali capital, were evacuated in weekend air operations performed by Italian and U.S. military.

Two U.S. Navy helicopters, which arrived at the U.S. Embassy in Mogadishu with a small contingent of Marines aboard, ferried more than 260 American citizens and other foreign nationals from the embassy compound overlooking the Indian Ocean to U.S. ships. Among those evacuated was the Soviet ambassador to Somalia.

By Saturday night, Italian cargo planes had flown about 200 people to the Kenyan port of Mombasa, 975 kilometers (600 miles) southwest of Mogadishu. The evacuation was to continue Sunday but was interrupted by fighting. About 50 Italians were waiting to be picked up. *(AP, UPI)*

Khmer Rouge Calls for Support

BANGKOK (Reuters) — The Khmer Rouge guerrillas on Sunday urged the people of Cambodia's second-largest city, Battambang, to revolt against the Vietnamese-backed Phnom Penh government.

The Communist guerrillas said fighting would intensify as they attempted to capture the city, which lies on the main highway and railroad heading west toward the Thai border. "You should hurry up and crush the Vietnamese enemies and destroy their offices and warehouses and war equipment," said a Khmer Rouge broadcast monitored here.

In Phnom Penh, a senior official said the government had a list of 12 Khmer Rouge leaders who would be barred for life from returning. The list includes Khieu Samphan and Son Sen, members of the Supreme National Council, which is supposed to represent Cambodian sovereignty under a UN plan designed to end 12 years of civil war.

Runoff Election Opens in Guatemala

GUATEMALA CITY (UPI) — Guatemalans voted Sunday in the second round of presidential elections to choose between a Protestant evangelist and a Catholic publisher, both of whom have pledged to seek a peaceful solution to the nation's 30 years of civil war.

The runoff pitted the National Center Union Party's candidate, Jorge Carpio Nicolle, who won 25.7 percent of the vote in a Nov. 11 general election, against the evangelist Jorge Serrano Elias, of the Solidarity Action Movement Party, who took 24.2 percent.

Anti-Rushdie Sit-In Grows in Tehran

NICOSIA (AP) — About 500 university students joined demonstrators Sunday in front of the British Embassy in Tehran, calling for the immediate release of an Iranian student jailed in Britain and the execution of the author Salman Rushdie.

The official Iranian press agency, monitored in Nicosia, said the students joined relatives of the detained student, Mehrdad Kokabi, 33, who have been staging a sit-in in front of the embassy since Thursday.

Students said the sit-in would continue until Mr. Kokabi, was released. He was arrested Dec. 15, 1989, charged with trying to place an explosive device in a bookstore selling the novel "The Satanic Verses," which many Muslims consider blasphemous. Mr. Kokabi is to go on trial Monday.

Prime Minister Sets Poland's Cabinet

WARSAW (WP) — The new prime minister named a government that he said would build on the free-market achievements of its predecessor.

Jan Krzysztof Bielecki, 39, whose nomination by President Lech Walesa was easily approved on Friday by parliament, said on Saturday he would adhere to the "directions and reforms that were so well begun" by the previous Solidarity-led government.

The economist and entrepreneur said he would retain three key ministers. The most significant is Finance Minister Leszek Balcerowicz, architect of the "shock therapy" program that has made Poland the leading free-market advocate in the East. The others are Foreign Minister Krzysztof Skubiszewski and the defense minister, Rear Admiral Piotr Kolodziejczyk.

U.S. to Try to Release Salvador Aid

WASHINGTON — Secretary of State James A. Baker 3d said Sunday that two U.S. servicemen were murdered by rebels in El Salvador and that Congress should consider lifting restrictions on military aid to that country.

The U.S. ambassador to El Salvador, William G. Walker, said Saturday that an autopsy had shown that the two airmen were "murdered in cold blood" by rebels after their helicopter was shot down Wednesday by the Farabundo Marti National Liberation Front. A third airman was killed in the crash.

In a television interview Sunday, Mr. Baker called the killings outrageous. "They were murdered by the FMLN, at least two of them for sure," he said.

TRAVEL UPDATE

Hundreds of Foreigners Flee Israel

JERUSALEM (Combined Dispatches) — Hundreds of foreigners already unnerved by the prospect of war left Israel on Sunday, and three more international airlines suspended flights to the Jewish state because of rising insurance rates.

LOT Polish Airlines and Cyprus Airways halted flights starting Sunday, while SAS will suspend operations starting Tuesday, the Israel Airport Authority said. Pan American World Airways and South African Airways had already suspended flights.

Meanwhile, Americans and Britons thronged the airport in Amman, Jordan, heeding the advise of their governments to return home before the UN deadline for Iraq to pull out of Kuwait. Airport sources said flights were overbooked for the next two weeks. *(Reuters, AP)*

Four Soviet cities have been opened to tourists: Cherski, inside the Arctic Circle; Yakutsk, on the Lena River; Vladivostok, the Soviet Union's main Pacific port, and Magadan, the point from which prisoners were sent to the gulags of the Soviet Far East. *(NYT)*

American Airlines pilots calling in sick are not expected to affect travel to European destinations. American plans to halt 11 percent of its 2,200 daily flights beginning next month to keep more pilots in reserve to substitute for colleagues who call in sick, but the reductions will affect only domestic routes and several Latin American destinations. The pilots have been working without a contract for more than a year. *(AP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries or dependencies this week because of national and religious holidays:

MONDAY: Colombia, Egypt, Ethiopia, Puerto Rico, Spain.
WEDNESDAY: Panama.
FRIDAY: Albania, Morocco, Nepal, Puerto Rico.
SATURDAY: Tanzania.

Source: J.P. Morgan, Reuters.

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	7	45	5	41	cl
Athens	17	63	10	50	cl
Barcelona	14	57	5	41	fr
Belgrade	6	43	2	36	cl
Berlin	6	43	4	39	cl
Brussels	7	45	2	36	cl
Budapest	2	36	-1	30	fr
Copenhagen	4	39	3	37	r
Costa Del Sol	16	61	8	46	fr
Dublin	5	41	4	39	r
Edinburgh	5	41	3	37	r
Faro	15	59	3	37	fr
Florence	12	54	2	36	fr
Frankfurt	7	45	3	37	cl
Geneva	7	45	3	37	r
Helsinki	2	36	0	32	sw
Las Palmas	21	70	15	59	fr
Lisbon	15	59	10	50	sh
London	7	45	4	39	r
Luxembourg	5	41	4	39	sn
Madrid	5	41	0	32	cl
Milan	5	41	1	34	cl
Moscow	1	34	-6	21	sw
Munich	7	45	1	34	cl
Nice	14	57	5	41	cl
Oslo	3	37	-1	30	r
Paris	9	48	5	41	cl
Prague	1	34	-2	28	cl
Reykjavik	1	34	-1	30	cl
Rome	13	55	3	37	fr
Stockholm	3	37	2	36	r
Strasbourg	8	46	4	39	cl
Vienna	3	37	-1	30	fr
Warsaw	3	37	-2	28	cl
Zurich	7	45	4	39	r

MIDDLE EAST					
Cairo	20	68	7	45	cl
Istanbul	12	54	8	46	r
Nicosia	—	—	—	—	—
Riyadh	17	63	7	45	pc
Tel Aviv	20	68	6	43	cl

OCEANIA					
Auckland	—	—	—	—	—
Sydney	24	79	16	64	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	24	75	fr
Beijing	-1	30	-10	14	cl
Hong Kong	15	59	13	55	cl
Manila	29	84	22	72	fr
New Delhi	17	63	4	39	fr
Seoul	-3	27	-15	5	sw
Shanghai	9	48	-2	28	r
Singapore	32	90	24	75	fr
Taipei	17	63	12	54	r
Tokyo	9	48	0	32	fr

AFRICA					
Algiers	16	61	4	39	fr
Cape Town	27	81	17	63	fr
Casablanca	16	61	4	39	cl
Harare	27	81	17	63	cl
Lagos	31	88	24	75	cl
Nairobi	—	—	—	—	—
Tunis	15	59	8	46	cl

LATIN AMERICA					
Buenos Aires	31	88	29	84	c
Lima	22	72	21	70	r
Mexico City	24	75	7	45	fr
Rio de Janeiro	—	—	—	—	na

NORTH AMERICA					
Anchorage	-11	12	-9	32	fr
Atlanta	15	59	7	45	r
Boston	7	45	-1	30	r
Chicago	-3	27	-11	12	pc
Denver	7	45	-8	18	c
Detroit	1	34	-8	18	sn
Honolulu	25	77	16	61	pc
Houston	1	61	7	45	r
Los Angeles	19	66	10	50	fr
Miami	27	81	21	70	pc
Minneapolis	-11	12	-20	-4	pc
Montreal	-1	30	-9	9	pc
Nassau	30	86	22	72	r
New York	7	45	1	34	r
Phoenix	20	68	9	48	pc
San Francisco	11	52	7	45	c
Seattle	4	39	2	36	r
Toronto	-1	30	-6	21	pc
Washington	6	43	3	37	pc

c-cloudy; fr-foggy; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Rain. FRANKFURT: Rain. Temp. 8 — 4 (46 — 39). LONDON: Cloudy. Temp. 7 — 5 (45 — 41). MADRID: Rain. Temp. 7 — 4 (45 — 39). NEW YORK: Partly cloudy. Temp. 4 — 1 (39 — 30). PARIS: Rain. Temp. 11 — 8 (52 — 46). ROME: Cloudy. Temp. 14 — 4 (57 — 39). TEL AVIV: Not available. ZURICH: Rain. Temp. 8 — 4 (46 — 39). BANGKOK: Cloudy. Temp. 32 — 24 (90 — 75). HONG KONG: Overcast. Temp. 14 — 13 (61 — 55). MANILA: Cloudy. Temp. 30 — 28 (86 — 82). SEOUL: Snow. Temp. -1 — 6 (30 — 21). SINGAPORE: Rain. Temp. 31 — 24 (88 — 75). TOKYO: Fair. Temp. 8 — 2 (46 — 36).

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How to Clean Up Congress? Alumni Say Sweep Out the Cash

By David Broder
Washington Post Service

WASHINGTON — The alumni are worried that dear old Alma Mater is getting a bad name.

It's the Congress of the United States we're talking about, not Old Siwash or Winsockie or Euphoria State. Interviews with more than a score of former representatives and senators, Republicans and Democrats alike, show a bad case of anxiety about the "rep" that Congress has these days.

A Republican, former Representative William H. Hudnut 3d, now mayor of Indianapolis, says the public has the impression that Congress is "a rudderless ship, that its members are squabbling all the time and that they are afraid to bite any bullets or make any hard choices."

A Democrat, former Representative Abner J. Mikva of Illinois, now a federal circuit court judge in Washington, pointed to the decline in re-election margins and the passage of term-limitation measures in November and said of his former colleagues: "If they can't read that handwriting on the wall, they need eyeglasses for sure."

That refrain is voiced all across the political spectrum, from liberals like Adlai E. Stevenson 3d, John C. Culver and Gary Hart, to such conservatives as John J. Rhodes, Melvin R. Laird and James T. Broyhill.

A former Senate Republican leader, Howard H. Baker Jr. of Tennessee, whose father, mother and father-in-law all served in Congress before him, summed up the general sentiment by saying: "I've seen Congress's reputation go up and down for many, many years. But I've never seen it lower than it is now. I think there will be a massive wave of anti-incumbent sentiment unless the problem is addressed."

The definition of "the problem" varies from person to person. And when the old grads are asked what practical steps Congress could take to improve its standing with the public, they offer a variety of suggestions. But in this unscientific sampling of notable alumni, the single action most often mentioned is to change the way campaigns for Congress are financed.

"I cannot say how important I think it is," said former Representative Dick Bolling, who believes that financing lies at the heart of most of Congress's other problems. Former Senator Thomas Eagleton said: "I don't care what ethics bills you pass. If you don't do anything about campaign-spending reform, you haven't done anything at all."

Mr. Bolling and Mr. Eagleton are both liberal Democrats from Missouri. But this is no longer just a liberal lament. Former Senator Paul Laxalt of Nevada, the chairman of Ronald Reagan's presidential campaigns, said: "There's far too much emphasis on money and far too much time spent collecting it. It's the most corrupting thing I see on the congressional scene."

A former speaker of the House, Thomas P. O'Neill of Massachusetts, is angry about former colleagues who "pile up a million or more bucks" in campaign funds and dare anyone to challenge them.

"It's good for people to have a challenger, to have to come home and explain their records," he said. "Otherwise, they get arrogant, they go international, they forget the people at home."

It's not just the amount of money enveloping Congress that concerns these alumni; many also object to the campaigns being waged.

Former Senator Abraham A. Ribicoff of Connecticut said: "The negative campaigning and the smears: It's no wonder they have so little respect for Congress when people see the candidates for Congress stooping to these tactics. The attitude is simple disgust."

Two respected alumni argue that Congress might be more respected if its members worked harder.

"More work by individual senators is needed, and less reliance on staff," said a former Senate majority leader, Mike Mansfield, Democrat of Montana. "Congress should not be taking all of August off each year. And it ought to work five days a week to keep the legislation from piling up."

Former Senator Margaret Chase Smith, Republican of Maine, who prided herself on not missing a roll-call vote, said: "Congress can't do its work with the amount of absenteeism there is. The public thinks they think more about holidays and salaries than they doing about passing legislation."

Howard Baker takes the opposite view. "They ought to reduce sessions to six months a year, so they have time to know what their constituents are thinking," he said. "Congress is not acting in the role the constitution prescribes for it. It is meant to be essentially a big national board of directors, making broad policy, but increasingly it's becoming an elected bureaucracy with its fingers into everything."

Several alumni say Congress has to organize its time better. Slashing staff and cutting the number of committees and subcommittees also were suggested by many of those interviewed.

"Modern times have imposed a massive workload on Congress and it requires discipline," said former Senator Charles McC. Mathias, Republican of Maryland. "Not new rules, but enforcing the rules they've got would speed up things enormously."

Bump and Grind: Is It Free Speech?

By Ruth Marcus
Washington Post Service

SOUTH BEND, Indiana — Painted on the door of JR's Kitty Kat Lounge, a buxom woman dressed in a scanty leopard-print cat suit beckons customers. Inside, a red light revolves overhead as a blonde in green lamé and lace shimmies down the runway, hiking up her outfit to reveal she has nothing on underneath. Topless, she faces a mirror and wiggles her bare bottom at an appreciative audience of men who stuff dollar bills into her garter as she dances by.

"Aren't you going to tip me?" she calls to a customer on his way out.

Seated at tables in the dark lounge, which was sparsely populated on a recent Wednesday night, bar girls cajole patrons into buying them drinks at $20 and up. An electronic message board over the bar promises "the hottest show in town."

A bit too hot, in fact, for the state of Indiana.

In a case to be argued Tuesday before the U.S. Supreme Court, the state contends that the nude dancing at the Kitty Kat club and similar South Bend establishments violates Indiana's public decency law. The dancers, it says, must wear at least pasties and a G-string to comply with the statute, which makes it a misdemeanor to display male or female genitals and buttocks.

On the other side are the Kitty Kat, several dancers and a local adult bookstore that wanted to feature naked women dancing in glass booths. They contend that applying the law in this way would violate their First Amendment rights of free speech.

On one level, the question presented by Barnes v. Glen Theatre is straightforward and seemingly trivial: whether the Constitution protects the right to dance without pasties and a G-string.

But the case also presents a more fundamental clash between community control and First Amendment values. For Indiana officials, and those supporting them, the court's decision will determine the ability of communities such as South Bend to enforce their own standards.

The federal appeals court in Chicago ruled, 7 to 4, that "nonobscene nude dancing of the barroom variety" constituted expression — communicating an emotional theme of "eroticism and sensuality" — and therefore was entitled to protection under the First Amendment.

The Supreme Court, which will review the appellate decision, has suggested in several cases that nude dancing is a form of speech protected by the Constitution. But the court has never squarely decided the issue.

"What is at stake here is Indiana's ability to draw some kind of line that prohibits people from appearing naked in public," said Deputy Attorney General Wayne E. Uhl. "We think that especially at the Kitty Kat, but anywhere when people appear naked, that kind of conduct promotes prostitution, encourages sexual assault, degrades the performer and it leads to conduct such as adultery and divorce that breaks down the family structure."

Asked whether the risk of that was greater without pasties and a G-string than with them, Mr. Uhl said: "We think that's a reasonable conclusion that the legislature could draw."

The point is simple, said Elena Bowman, a member of the local women's commission who joined a friend-of-the-court brief on the state's behalf: "We don't want this in our community. That's what we're saying."

Those on the other side contend that what is at stake, at the very least, is the constitutional protection accorded various forms of nonverbal expression — art, music and dance, whether the Dance of the Seven Veils in Strauss's "Salome," a nude performance by the Martha Graham Dance Company or the bump and grind of the Kitty Kat Lounge.

"From a First Amendment perspective, this is a very important case," said Bruce J. Ennis Jr., a Washington lawyer who will argue on behalf of those challenging the prohibition. He said the state could enact zoning restrictions to control adult entertainment, and — under the 21st Amendment, which repealed prohibition — could prohibit nude dancing in places where alcohol is served. But, he said, the state cannot outlaw it entirely.

The issue "is not that someday we will think of what happens at the Kitty Kat Lounge as high art," Mr. Ennis said. "It's that it is very dangerous to let the state make for people the decision about what is or is not sufficiently artistic."

Brenda Gill, a local resident who brought the issue to the attention of the commission when she discovered her husband frequenting strip joints and spending large sums of money there, said she was not interested in stamping out legitimate art but rather in saving families — and the dancers themselves — from the problems that nude dancing generates.

Interviewed at the Kitty Kat, the dancer in green lamé, who gave her name as Sonny Lacy, said those who supported the prohibition were moralistic busybodies.

Rules on Pentagon Spending Bring Cost-Overrun Dilemma

By Richard W. Stevenson
New York Times Service

NEW YORK — A recent effort by the U.S. Navy and two of its largest contractors to save the troubled A-12 warplane is the clearest illustration yet of how policies intended for the arms buildup of the 1980s are haunting the military and its suppliers in an era of declining budgets.

Even before they absorb the full impact of the coming shrinkage of the nation's combat forces, military contractors are reeling.

They are victims of their own overly optimistic business projections and harsh terms imposed by the Pentagon in the last decade in an ill-fated attempt to hold down costs.

The builders of the A-12, for example, McDonnell Douglas Corp. and General Dynamics Corp., agreed to develop the plane for a predetermined fixed price.

As in other fixed-price arrangements, the contractors ran into unforeseen technical problems that led to expenses far higher than the value of the contract — more than $1 billion higher with the A-12.

Current military procurement policies were largely a product of the early and mid-1980s, when the industry was flush with profits and many members of Congress were angered by reports of $500 hammers and ashtrays, and other examples of waste and fraud.

The military now finds itself increasingly forced to choose between bailing out contractors with more money, a difficult step given the budgetary and political pressures from Congress, or delaying, scaling back or killing projects that the armed services consider vital.

"This is a time of rude awakening," said Robert B. Costello, who served as the Pentagon's senior acquisition executive in the Reagan administration.

Last summer, the navy canceled a contract with Lockheed Corp. to build a submarine-hunting airplane, the P-7A, after the costs of developing the plane rose sharply.

Last month, after development costs tripled, the army terminated the FOG-M missile that was being designed by Hughes Aircraft Company and Boeing Company.

Defense Secretary Dick Cheney is expected to announce Monday that he will revamp the development program for the A-12.

Fearful that the program was out of control, Mr. Cheney threatened in December to cancel it unless the navy could justify the additional cost and present an acceptable plan for getting it back on track.

The changes are expected to include a partial bailout of McDonnell Douglas and General Dynamics, as well as a decision to slow the program and reduce its size.

Military contracting has always been plagued by cost overruns — the industry's jargon for a project in which the developer's cost rises beyond the value of the contract — and companies have long complained about government procurement policies that depress their profits.

What is new in the current predicament is that it comes as the nation embarks on the first fundamental reduction in the size of its military force since the end of World War II.

While the Gulf crisis has muted calls for deeper cuts, most analysts predict that military budgets will continue to fall for the foreseeable future, breaking a decades-old cycle in which contractors were hurt during periods of declining Pentagon spending but were rewarded when spending turned up or new contracts were awarded.

"The Cold War is over and the shrinkage in the defense contracting market is long-term," said Gordon Adams, director of Defense Budget Project, a nonpartisan research organization in Washington.

"That poses a whole new problem for the industry. For the past 40 years, there was always a period of increased spending to make everything well again. It's unlikely we're going to see that now."



Stephen Savoia/The Associated Press

SNIPER KILLS GIRL IN MASSACHUSETTS — The driver standing in front of his school bus in Bourne, Massachusetts, south of Boston, after a sniper fired at it. A 14-year-old on the New Bedford freshman girls' basketball team was killed and another was slightly injured by the same bullet. The police used dogs and helicopters to search for the sniper, who remained at large.

U.S. Approves Test of Portable Heart Pump

New York Times Service

NEW YORK — The Food and Drug Administration has given a Houston hospital approval to begin experimental use of a portable, battery-powered mechanical device to help a failing heart pump blood until a heart donor can be found.

With the new device, the damaged organ stays in place.

With a pump implanted, patients awaiting heart transplants are expected to be freely mobile because they will not be tethered to a cumbersome external console, as with earlier versions of the device and the Jarvik-7 artificial heart.

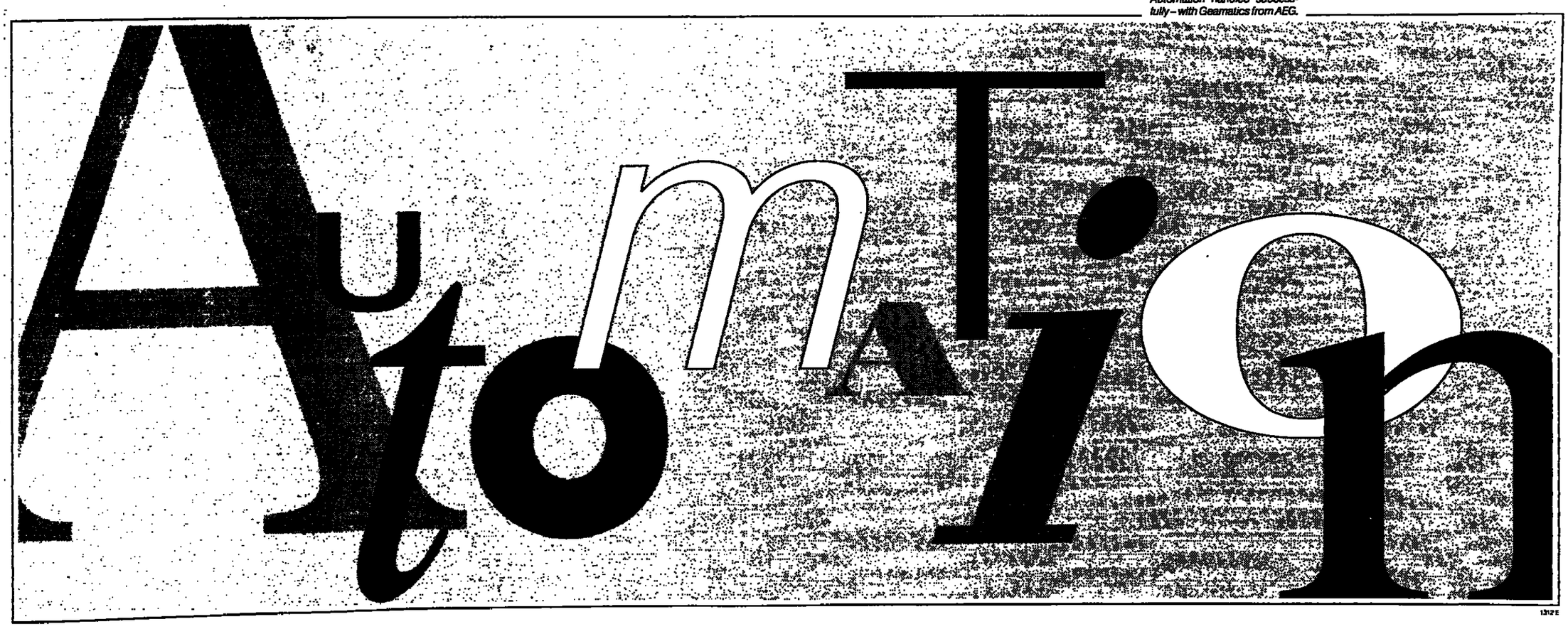
The food and drug agency has given approval for five machines to be implanted, the device's manufacturer announced. The first implantation is not expected before next month.

Success would mark an important step toward the goal of a totally implanted artificial heart.

The pump is a left ventricular assist device, so named because it takes over from or boosts the work of a failing left ventricle, which, as the biggest of the heart's four chambers, pumps oxygen-rich blood to the body.

Looking after the Future

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Published With The New York Times and The Washington Post

Hope for Peace Talks

Walking the Last Mile

President George Bush's willingness to be flexible about dates for a meeting with Iraq has now been rewarded by a positive Iraqi response. But the talks set for Wednesday in Geneva between Secretary of State James Baker and Iraqi Foreign Minister Tariq Aziz will not be worth much if both men treat them only as a public relations prelude to war. With more than a million soldiers mobilized at the front, it is none too soon for both sides truly to walk the last mile for peace.

For Iraq, that means finally accepting what a united world has consistently demanded for five months: Get out of Kuwait. Completely and unconditionally. For the United States, diplomacy means recalling what has been American policy all along. That is, there is no inconsistency between Mr. Bush rightly refusing to bargain with a blackmailer and the world's hope for productive talks. The honorable approach is to remind Iraq again of the diplomatic opportunities it has foreclosed by its aggression and intransigence.

Mr. Bush spelled out these opportunities before the United Nations on Oct. 1. He drew his formulations from U.S. policies propounded before Iraq invaded Kuwait.

After an Iraqi withdrawal, Mr. Bush noted in October, differences between Iraq and Kuwait over oil fields and strategic islands could be fairly negotiated. Kuwait's future form of government might also be discussed.

Mr. Bush also spoke of opportunities for "the states of the Gulf themselves to build new arrangements for stability." This is diplomatic code for destroying chemical weapons and their means of production, curbing the spread of nuclear technology, and negotiating the size and composition of military forces. Such arrangements would require provision for international inspection. If they turned out to be credible, they could be extended to Israeli chemical and nuclear weapons as well.

Finally, Mr. Bush referred to opportunities "for all the states and peoples of the region to settle the conflict that divides the Arabs from Israel." That emphatically does not mean serving Israel up as a sacrifice for peace in the Gulf, or allowing Iraqi President Saddam Hussein to claim a role as the armed champion of the Palestinian cause.

American policy on the Arab-Israeli conflict calls for terminating the existing state of war, with Arab states finally recognizing the state of Israel. Meanwhile, Washington remains committed to fostering direct negotiations between Israel and the Palestinians.

Saddam Hussein deserves no rewards for his actions in Kuwait. But neither should his actions be allowed to overturn long-standing and sensible U.S. policies. By agreeing to withdraw all his forces from Kuwait, now, he can make it possible to take these ideas to the appropriate negotiating tables, sparing his country and the world a ruinous, needless war.

"Secretary Baker's mission to Geneva is to convey to Iraq the gravity of the situation and the determination of the international community to overcome Iraq's aggression against Kuwait," Mr. Bush said on Friday. That mission can bring the peace that both sides insist they want if Saddam at last chooses to respond to the honorable terms that Mr. Bush has already put forth.

— THE NEW YORK TIMES.

A Chance for Saddam

The U.S. offer of high-level talks and Iraq's acceptance could conceivably be the means of achieving the UN objective without recourse to war. With James Baker and Tariq Aziz set to meet in Geneva on Wednesday, one important element still needs to fall into place. Iraq must agree at once to the total and unconditional withdrawal from Kuwait demanded by the United Nations.

Consider the position that President George Bush has confirmed in the past few days. He has repeated the American pledge not to attack Iraq if it withdraws totally; this gives Saddam Hussein an opportunity to save his country. While unequivocally and necessarily rejecting the "linkage" that Saddam Hussein has sought to other Mideast issues, Mr. Bush has kept open Arab-Israeli diplomatic possibilities that were already a part of American policy — possibilities that Iraq's invasion interrupted and sidetracked. In sending his secretary of state to Geneva, he has promised, as any serious president must, to make no concessions or changes in the principled, internationally supported positions in whose name he acts, even though acknowledging the obvious: "We can't tell anybody what he can bring up at a discussion." But Mr. Bush apparently intends to stand firm.

Earlier, the president had spoken of delivering the American message directly to Saddam Hussein, and now he is under some criticism for "rejecting" a possible Baker visit to Baghdad. But for weeks Saddam Hussein spurned that option. Mr. Bush is not wrong to try to ensure that communication with Baghdad does not become a time-spinning exercise. Jan. 15 is barely a week away. The president described the date on Saturday as a "deadline" for Iraqi compliance with UN resolutions but not as an automatic trigger for American attack. This formulation preserves Jan. 15 as a lever of pressure but keeps the military options in Mr. Bush's hands.

It falls to Europeans and friendly Arabs, who are rightly concerned at the prospect of war, not to fall away from their earlier dominant and compelling antipathy to the prospect of Iraqi aggression being sustained, encouraged, extended and rewarded. They can best help at this crucial moment by making sure no air appears between their position and Washington's.

Congress has its own grave responsibilities. It must allow the Baker mission to go forward and, immediately afterward, seize the Gulf issue and make a decision. Otherwise it evades its opportunity and obligation to make a positive contribution to what Mr. Bush fairly described on Saturday as the supreme stake in this crisis: "the kind of world we will inhabit" after it is over.

— THE WASHINGTON POST.

Big Cities Deserve Help

New York City is staggering because of tax dollars lost to the recession that no one can control, but also because of massive federal unfairness that Congress can control. America calls on New York and its other largest cities to serve as the nation's poorhouse, but so far the rest of the country refuses to pay its fair share.

Medicaid, foster care and other expenditures for the poor cost New York City $3 billion a year. That is almost a fifth of all the money the city spends on its own programs, and far more than the amount needed to close the present critical budget gap. And that $3 billion does not include the cost of police and schools, driven upward by the needs of the city's poor.

Cities, most of all the largest cities, contain a disproportionate number of America's poor and afflicted. New York did not create its schizophrenic homeless, crack addicts or AIDS carriers. Indeed, the city's humane response has served as a magnet for these victims. And New York, like Los Angeles and Miami, provides socializing institutions for waves of Asian, Latin and other immigrants. New Yorkers are no less responsible for these needy fellow residents than neighboring suburbanites or Midwest farmers. But why should they be required to carry substantially more of the burden?

The New York Times has urged that, in this period of darkening fiscal storms, New York's first priority be to reclaim the streets. We also urge that, to make that possible, Congress's first priority be to spread the burden.

Cities like New York, Los Angeles and Chicago are centers of culture and excitement — and violence and despair. Some of the decay arises from political fumbling. But self-inflicted wounds cannot explain the spreading pattern of urban distress.

John Yinger of Syracuse University and Helen Ladd of Duke University document how economic and social factors beyond the control of major cities make it ever harder for them to provide reasonable public service, especially for children and the poor.

The civil rights revolution revived the old tides that swept the white middle class to the suburbs. Recent years have seen a black middle-class tide in the same direction. Cities, meanwhile, feel a vicious dynamic. As the urban cores decline, people who can depart do so, leaving behind a more concentrated distillation of poverty.

In cities studied by Richard Nathan, the public policy expert at the State University of New York, in Albany, the percentage of poor blacks trapped in extremely poor neighborhoods increased from 25 percent to nearly 40 during the 1970s. The Reagan administration compounded the problem by cutting back federal grants for housing, education and public works. In the past decade Washington has whittled its share of state and local budgets from 25 percent to 17.

There is little logic and no fairness in asking city taxpayers to pay for the poor on the same basis as they do for schools and garbage collection. Social welfare is different. The poor are America's poor, and being poor they are drawn to big cities.

Forced to assume the consequent costs, cities and states are prompted to drive benefits lower, hoping that the poor will settle elsewhere. No wonder states have passively allowed inflation to eat into the value of their welfare benefits. Welfare is a national problem that demands a federal solution. Only a federal program can guarantee that everyone will pay a fair share.

The point is not that Iowa farmers or Marin County lawyers should be asked to bail out New York. It is that New York and other big cities are strapped and, even with the best will in the world, cannot long continue to pay everyone else's bill.

— THE NEW YORK TIMES.

Other Comment

Deal With Saddam First

The ending of the Cold War has made [the Bush administration] far readier than its predecessors to shake Israel's Likud government out of its self-destructive policy of permanent occupation. The PLO, until its recent flirtation with Saddamery, seemed genuinely willing to make peace. But Israel, a Kuwait-sized country, will make no concessions to an Arab world led by a victorious Saddam Hussein. And the world, if it flunks its own test in the Gulf, will have no right to ask it to.

— The Economist (London).

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OPINION

The Diplomatic Code Keeps Getting Harder to Decipher

By Leslie H. Gelb

NEW YORK — Any activity that elicits fervent acclaim from political leaders, far and near, merits the microscopic scrutiny of humankind. I am thinking here of the swelling enthusiasm for direct talks between Washington and Baghdad.

I, too, advocate talks to convey thinking, particularly with enemies who are, or may soon be, shooting at Americans. But much of what has been passing for diplomacy to arrange direct talks is a scam, and Wednesday's meeting between Secretary of State James Baker and Foreign Minister Tariq Aziz is unlikely to elevate matters.

We will hardly know what is going on, and whom to trust.

The irony is that Saddam Hussein, who has been digging in his heels, actually wants the talks and prays that they succeed. For a deal is the best way for him to keep some of his ill-gotten goodies from Kuwait, distract eyes from his withdrawal and escape a catastrophic war.

And the further irony is that President George Bush, who has been offering talks, undoubtedly shudders at their prospect. Negotiations mean compromise, and compromise in this case rewards aggression. What he wants are talks that demonstrate Iraqi obstinacy in order to placate Congress and derail allies from pursuing separate peace tracks — or, better still, talks that produce outright Iraqi capitulation.

As Senator Bob Dole put it the other day, Mr. Bush has to pursue "every avenue for peace, before the firing starts."

In diplomacy, especially in crises, things are rarely what they seem. A diplomatic codebook is indispensable. For example, "flexibility" can mean almost no flexibility. Thus when Ambassador Mohammed Mashat of Iraq said that Baghdad was flexible on a date other than Jan. 12 for Mr. Baker to visit Saddam Hussein; he meant that no other date was possible, but that other arrangements might be.

Similarly, endorsing allied negotiations with an adversary generally means opposing those negotiations. Thus, when the State Department blessed the European Community's wish to talk with Baghdad, it warned that the initiative should adhere to a "uniform and consistent" message. Translation: Go only if you will be demanding complete Iraqi withdrawal from Kuwait by Jan. 15.

The codebook contains no translation, however, for a certain primitive pronouncement attributed to Mr. Bush, namely, "If we get into an armed situation, [Saddam Hussein's] going to get his ass kicked." The codebook's only mention of an anatomical region refers to "cheek kissing."

There will be none of that in the Baker-Aziz talks. And just in case Saddam is hoping otherwise, Mr. Bush said the encounter would involve "no negotiations, no compromises, no attempts at face-saving and no rewards for aggression."

But in the very next sentence, crafted for those who might see the previous sentence as a touch too negative, he added that the talks are "simply and importantly an opportunity to resolve this crisis peacefully."

For all the public antics, and even in the absence of a direct dialogue, the fact is that Washington and Baghdad have been negotiating for some time, in plain sight. They have both been playing with a settlement modeled on the 1962 Cuban missile crisis, in which President John Kennedy pledged not to attack Cuba if Moscow removed its missiles from that island.

Moscow demanded a face-saving symmetry — the removal of U.S. missiles from Turkey. In a side agreement kept secret for many years so as not to appear to reward Moscow, the United States promised to withdraw those missiles at a later date. Now, Washington offers a no-attack pledge if Iraq leaves Kuwait "unconditionally."

To which Mr. Bush adds that afterward "there may be opportunities" to solve Kuwaiti-Iraqi border disputes and "settle the conflicts that divide the Arabs from Israel." Saddam insists on nailing down these post-withdrawal possibilities in advance, as the Soviets did in 1962, but Mr. Bush forswears any future linkage.

With such reassurances, we can now look forward to diplomatic smog of the highest density.

From this day to that moment when war begins or Iraq announces its departure from Kuwait, all will use the diplomatic code words liberally to make and hide compromises, bargain away others' valuables and generally posture. We will hardly know what is going on, and whom to trust.

Mr. Bush, however, can count on one thing: If he buys Iraqi withdrawal for more than a no-attack oath and general promises about seeking to resolve other regional problems, he will betray his own principles and lose the trust of most Americans and world leaders — however resounding the momentary applause.

The New York Times.

For Saddam the Dictator, War Isn't the Worst Possible Outcome

By Jim Hoagland

WASHINGTON — Saddam Hussein's contemptuous toying with the president of the United States over dates for a visit to Baghdad by Secretary of State Jim Baker has backfired on the Iraqi dictator. Saddam's insistence on a single date for a Baker visit appears to have strengthened President George Bush's resolve, not weakened it, as Saddam would have hoped.

Why take such a risk? There can be only one answer, which Mr. Baker needs to keep in mind as he probes Saddam's foreign minister, Tariq Aziz, in Geneva on Wednesday for Iraqi intentions. For Saddam, war is not the worst possible outcome of the confrontation in the Gulf. War is a way of life, not a course of action to be avoided at all costs. Saddam is from a warrior tribe, not from a tribe of diplomats or bazaar merchants.

If there is an act that might yet deflect Saddam from his lifelong pattern of bloodying and humiliating an enemy before dealing with him, Mr. Bush's apparently unshakable decision not to send Mr. Baker to Baghdad is it. Only if Saddam Hussein suddenly understands that Mr. Bush is serious about destroying the Iraqi occupation army in Kuwait will he change.

Mr. Bush's decision ends Saddam's chance to play the Baker card, which represented the Iraqi's best chance to drag Washington into negotiations, split the multinational alliance and undermine public support for the Bush policy. Instead of asking why Mr. Bush will not yield to a Jan. 12 ultimatum for a Baghdad meeting, members of Congress and Americans in general need to focus on why Saddam showed so little interest in the diplomatic track.

As the clock ticks on toward the Jan. 15 evacuation deadline that Mr. Bush has rightly set in concrete, Saddam has seemed to see the threat of war as his ally, not his problem. That conviction has weakened both Mr. Bush's strategy of scaring Saddam with words and the critics' fence-sitting posture of waiting for sanctions to force Iraq out of Kuwait.

Saddam thrives on battle. It is the United States and the other democracies allied against him that find war repugnant and wasteful. The Iraqi president believes it when he boasts that he can outlast those who who deny him Kuwait and control of the Middle East's economic resources.

War now inspires horror in America and Europe, but this is a fairly recent reaction, born out of the carnage of World War II and the futility of Vietnam. For centuries, war was a legitimate human activity for all nations. Hitler led the German people into mass destruction by persuading them that war was a necessary and purifying act for a living nation. It has been only 50 years since Hitler gave war a bad name. But Saddam's invasion of Kuwait shows that while economic competition has replaced military force as the arbiter of resources among industrial democracies, war is still a tool of economic and social competition in the Middle East.

War remains all too thinkable in the desperate conditions of the Middle East and Africa. Only a few years ago, wars of liberation were vaunted as just and necessary, whatever the human costs, in these colonized countries. Even Asia, possessor of economic success stories, is a middle ground. The experiences of World War II, Korea and Indochina have not yet freed Asia from the threat of regional conflict.

Many in the West assume that behind his bluster, Saddam wants a peaceful way out and will compromise on his claims to all of Kuwait and to paramount status in the Gulf. But his history suggests the reverse. He has consistently seen it in his interest to take big risks and accept a settlement only after his enemy proposes it.

That was his approach in his two-year war with the Kurdish rebels, who were armed and supported by the shah of Iran, the United States and Israel. It was also the way he fought his eight-year conflict with the shah's successors in Iran's Islamic Republic. In both cases, Saddam successfully pursued high-risk campaigns until his foes blinked and called off the bloodletting.

Mr. Bush's original offer to send Mr. Baker to Baghdad seemed a dangerous gamble. It was criticized within the Bush administration by those who feared that Mr. Baker's penchant for dealing made him the wrong emissary. They would have preferred the national security adviser, Brent Scowcroft, go, if anyone had to go, but Mr. Bush stayed with Mr. Baker.

The fear that Saddam would play the Baker card and put the deal-makers in the driver's seat during the decisive stage of the crisis was a real one. But Saddam has left agreement to talk till so late that the meeting now is for public opinion purposes, not for negotiating. By waiting, Saddam has robbed Mr. Baker of the time and room to broker any solution that the United States could honorably sponsor.

This is a clear indication of his mistaken view that he can still manipulate war into an acceptable outcome. Saddam is a warrior who exists psychologically in a different age, an age in which war was an instrument of first resort.

It is tragic that the international community has to rely on force to stop Saddam Hussein from holding the Middle East back in that age. But Americans need to remember, as Jan. 15 approaches, that it is Saddam Hussein, not George Bush, who has chosen war as the most likely outcome in the Gulf.

The Washington Post.

Bush Has It Right: America's Commitment in the Gulf Is Moral

By Richard Nixon

The writer was president of the United States from 1969 to 1974.

WOODCLIFF LAKE, New Jersey — It is time for some straight talk about why 400,000 young Americans spent Christmas in the deserts of Saudi Arabia and why in less than two weeks the United States may be once again at war.

We must first be clear about what the conflict is not about.

If we must resort to military force to drive Saddam Hussein from Kuwait, it will not be a war about democracy. While our goal is to restore Kuwait's legitimate government, it is hypocritical to suggest that we hope to bring democracy to Kuwait. Except for Israel, there are no democracies in the Middle East, and there will be none in the foreseeable future. The emir of Kuwait is among the world's more benevolent dictators, but once he is back in his palace he will still be a dictator.

Nor is intervention justified because Saddam Hussein is a cruel leader. President George Bush has been criticized for equating him with Hitler. Whether he is that bad is irrelevant. He is bad enough. Saddam Hussein's soldiers are murdering, torturing and raping defenseless Kuwaitis and pillaging their country. He violated international law by using chemical weapons against Iran and the Kurds. But if U.S. policy were to punish cruel leaders, we would not be allied with Syria's President Hafez Assad. He ordered the massacre of 20,000 innocent people in the city of Hama in his own country, has supported international terrorism and presided over an army that has committed brutal atrocities in Lebanon.

Both Syria and Iraq threaten U.S. interests, but today Iraq poses a profoundly greater threat. Those who fault Mr. Bush for enlisting Mr. Assad's support should remember Winston Churchill's classic rejoinder to those who criticized him for supporting Stalin after Hitler invaded the Soviet Union during World War II: "If Hitler invaded Hell, I think I would find a kind word to say about the Devil in the House of Commons."

The United States is in the Gulf for two major reasons.

First, Saddam Hussein has unlimited ambitions to dominate one of the most important strategic areas in the world. When Senator Bob Dole said we were in the Gulf for oil and Secretary of State James Baker said we were there for jobs, they were criticized for justifying our actions on purely selfish grounds. We should not apologize for defending our vital economic interests.

Had America not intervened, an international outlaw would today control more than 40 percent of the world's oil. While, by stringent energy conservation, the United States might be able to get along without oil from the Gulf, Western Europe and Japan could not.

What happens to the economies of other great industrial nations directly affects the economy of the United States. We cannot allow Saddam Hussein to blackmail us and our allies into accepting his aggressive goals by giving him a choke hold on our oil lifeline.

Because he has oil, he has the means to acquire the weapons he needs for aggression against his neighbors, eventually including nuclear weapons. If he succeeds in Kuwait he will attack others, and he will use whatever weapons he has to achieve his goals. If we do not stop him now, we will have to stop him later, when the cost in young American lives will be infinitely greater.

There is an even more important long-term reason for rolling back Iraq's aggression. We cannot be sure, as many believe and hope, that we are entering into a new, post-Cold War era in which armed aggression will no longer be an instrument of national policy. But we can be sure that if Saddam Hussein profits from aggression, other potential aggressors in the world will be tempted to wage war against their neighbors.

If we succeed in getting Saddam Hussein out of Kuwait in accordance with the United Nations resolution, and in eliminating his capacity to wage war in the future (which must be our goal if he refuses to get out peacefully and forces us to act militarily), we will have the credibility to deter aggression elsewhere without sending American forces. The world will take seriously U.S. warnings against aggression.

Some critics argue that we should continue sanctions for as long as 18 months before resorting to force. They contend that even if sanctions do not work, Saddam Hussein will be so weakened that we will suffer fewer casualties if war does come. They are wrong on three counts.

First, while the Iraqi people suffer the effects of the sanctions, Saddam Hussein will direct his resources so that the Iraqi military will not.

Second, while the sanctions will weaken Iraq, they will weaken us even more, because of the political difficulty of holding our alliance together abroad and maintaining support for our troop commitment at home.

Finally, the most the critics can claim is that it is possible that sanctions might work. It is certain that military force will work. The stakes are too high to risk failure.

Other critics believe that diplomacy will eventually convince Saddam Hussein that he should get out of Kuwait. But neither diplomacy nor sanctions has a chance unless he knows that if he does not get out of Kuwait peacefully, the American people and our allies will be united in support of driving him out militarily.

Should Secretary Baker's meeting with Iraqi Foreign Minister Tariq Aziz fail to produce an agreement that complies unconditionally with the UN resolution, we must remember that when dealing with an insatiable aggressor a bad peace is worse than war because it will inevitably lead to a bigger war.

If we must go to war, it will not be just a war about oil. It will not be a war about a tyrant's cruelty. It will not be a war about democracy. It will be a war about peace — not just peace in our time, but peace for our children and grandchildren in the years ahead.

If Saddam Hussein gains in any way from his aggression, despite our unprecedented commitment of economic, diplomatic and military power, other aggressors will be encouraged to wage war against their neighbors, and peace will be in jeopardy everywhere in the world. That is why our commitment in the Gulf is a highly moral enterprise.

The New York Times.

A Gulf War Even if It's Unneeded?

By Paul H. Nitze and Michael F. Stafford

This is the first of two articles.

WASHINGTON — The United States is rushing headlong into all-out war in the Gulf. There is an alternative to this painful course. Continued reliance on the United Nations embargo — possibly augmented by air strikes — promises a much more favorable result.

If this week's last-minute round of diplomacy fails and the United States applies its new military doctrine of overwhelming force, the carnage will be severe — probably thousands of American casualties, as well as widespread death and destruction in Kuwait and Iraq. A massive clash with Saddam Hussein's well entrenched forces on the ground as well as in the air also will have severe long-term impact on U.S. public opinion, U.S. standing in the Middle East and other key American interests.

If it should prove necessary, the blockade could be supplemented with selected but powerful air strikes.

One of the most dangerous forms of human error is forgetting what one is trying to achieve. In the Gulf crisis, it is crucial that Americans look beyond anger at Saddam Hussein and remind themselves of precisely what U.S. interests are in the crisis and what America seeks to accomplish. Underlying its support for the United Nations resolutions calling for Saddam Hussein to withdraw from Kuwait and allow the restoration of the Kuwaiti government are several important objectives.

The main goal should be to set a precedent for a new post-Cold War era, in which the community of nations, working through the United Nations and other organizations, can ensure that would-be aggressors do not profit from invasion, coercion and force.

Subordinate goals should be:

- To avoid major disruptions in the regional balance of power in the Middle East, and at the same time to avoid encouraging internal foes of friendly regimes.
- To maintain stability in the world oil market, which has adjusted to the loss of Iraqi and Kuwaiti oil (8 percent of pre-crisis world supply), by ensuring that Saddam Hussein cannot follow up his aggression against Kuwait so as to eventually gain leverage over Saudi oil (9 percent of world supplies) or of the entire Middle East's (30 percent).
- To deny Saddam Hussein the ability to field weapons of mass destruction, including an atomic bomb, and to prevent the spread of such weapons elsewhere in the region.



To achieve these goals, the United States and its international partners have available a choice among two general courses of action.

The first is all-out war, including heavy reliance on the prompt offensive use of ground forces. The U.S. Gulf commander, General Norman Schwarzkopf, has said it could take up to six months to win such a conflict. If the troops get bogged down, it could take longer. In addition to troop losses, such a campaign would cost between $50 billion and $60 billion, plus that much or more in indirect expenditures such as future medical and other care for the casualties. Efforts to eliminate Saddam Hussein or occupy Iraq could take longer and cost more.

The second possible course is continued sanctions, possibly augmented by air strikes. This course would balance power with restraint; it would measure out sufficient force to make unmistakable to Iraq and the rest of the world the adverse consequences of aggression.

Washington would continue the international embargo, including enforcement by the naval blockade. To defend Saudi Arabia, it would retain and rotate a sustainable deployment of ground forces, at a level lower than the present one.

Under the current international embargo, only a trickle of goods is getting in or out of Iraq. Oil exports and earnings are nil, and civilian production is estimated to be down by about 40 percent. In time, lack of spare parts will erode Iraq's military capabilities, and civilian and military production will fall further.

But over the next six to 12 months it may become evident that a blockade by itself will not do the job. In that case, we would favor supplementing the naval blockade with selected but powerful air strikes.

Before this step was taken, however, it would be important that the allies and the American people be convinced that sanctions alone had been given a full chance to work and had failed. It would also be important that the public be better convinced that the interests at stake justified use of military force.

While the shortcomings of strategic air campaigns are well known, modern air delivery systems can inflict great damage on the Iraqi war machine and the economy. Combined with the naval blockade, a well directed air assault could force Iraqi capitulation. And if, over months, it did not achieve its goal, there remains the possibility of a later ground attack against greatly weakened Iraqi forces.

In our view, all-out war promises the least success in achieving the objectives we have outlined.

Mr. Nitze served in the Reagan administration as special adviser on arms control. Mr. Stafford is executive director of the Center for Science and International Affairs at the John F. Kennedy School of Government at Harvard. They contributed this comment to The Washington Post.

100, 75 AND 50 YEARS AGO

1891: Parnell Attacked

LONDON — The efforts of Mr. Parnell to get around the decision of the Divorce Court is attracting a good deal of attention in England and Ireland. Mr. Parnell had made a revelation to the Irish members [of Parliament], intended to exculpate him from what had occurred. The *Inexpressible*, which voices the sentiments of the anti-Parnellists, declares that Mr. Parnell "admitted [his] adultery and justified it." It is rumored that Mr. Parnell said that he had been "more sinned against than sinning."

1916: Autos for Front

PARIS — The marriage of Princesse Marie-Louise d'Orléans with Prince Philippe de Bourbon-Sicile has been made by members of the American and Argentine colonies in Paris an occasion to demonstrate their sympathy for France and the Allies. They have hit upon the idea of making an offering of fifty automobile bodies destined for a like number of auto-ambulances at the front. Duc de Vendome, French Red Cross delegate on the Belgian front, has expressed his satisfaction at having the automobiles placed at his disposal.

1941: Aviatrix Drowned

LONDON — Amy Johnson Mollison, famous British woman flyer, was drowned yesterday [Jan. 5] in the Thames River estuary when she was forced to bail out of an airplane she was flying for the Air Transport Auxiliary. For hours boats searched the water where the thirty-two-year-old flyer disappeared, but they were unable to find the body. Lookouts on ships in the estuary sighted the plane about 750 feet up. It started to climb, then suddenly turned and made a long glide into the water. At about 200 feet a figure with a parachute fluttered away from the plane and plummeted into the water.

— From the New York edition of the New York Herald Tribune.

هكذا من الأصل

THE GULF: U.S. warns of danger in delaying military action if diplomatic efforts don't succeed

Jan. 15 Not a Trigger, Bush Says, but 'Time Is Running Out'

New York Times Service

WASHINGTON — U.S. military action against Iraq will not necessarily begin immediately after Jan. 15, even if Baghdad does not meet that deadline for leaving Kuwait, according to President George Bush.

But he warned that "time is running out" and that each additional day the United States waited to act could mean more casualties.

"We risk paying a higher price in the most precious currency of all — human life — if we give Saddam more time to prepare for war," Mr. Bush said Saturday in a radio address.

The president repeated his promise to explore a peaceful solution to the crisis. But he said there would be no "secret diplomacy" when Secretary of State James A. Baker 3d meets with Foreign Minister Tariq Aziz of Iraq in Geneva on Wednesday.

Mr. Bush said, "Secretary Baker will restate, in person, a message for Saddam Hussein: Withdraw from Kuwait unconditionally and immediately, or face the terrible consequences."

Still, Mr. Bush seemed to leave himself some room to maneuver at a time when the United States expects a flurry of diplomatic activity, perhaps even a new effort by President Hussein.

Administration officials said the United States was approaching the meeting with Mr. Aziz with the expectation that the Iraqi official would produce some kind of surprise.

The challenge for Washington, they said, was to find a way to continue to show a desire for a peaceful solution without raising public expectations or pressure to make a deal with Iraq.

In his address, Mr. Bush said, "We should go the extra mile before asking our servicemen and women to stand in harm's way." He added, "We should and we have."

He called the meeting between Mr. Baker and Mr. Aziz "one more step."

"Eleven days from today, Saddam Hussein will either have met the United Nations deadline for a full and unconditional withdrawal, or he will have once again defied the civilized world," Mr. Bush said. "This is a deadline for Saddam Hussein to comply with the United Nations resolution, not a deadline for our own armed forces."

That seemed to give Mr. Bush leeway in case the Geneva meeting Aziz produces some movement toward ending the stalemate.

But, the president said: "Time is running out. It's running out because each day that passes brings real costs."

Mr. Bush, who has been criticized for not fully explaining his reasons for contemplating war, said Iraq "already poses a strategic threat to the capital cities of Egypt, Saudi Arabia, Turkey, Israel and Syria" with its missiles and warplanes.

He said that Iraq had chemical weapons and repeated his assertion that "each day that passes brings Saddam Hussein further on the path to developing biological and nuclear weapons and the missiles to deliver them."

He added: "If Saddam corners the world energy market, he can then finance further aggression. Each day that passes increases Saddam's worldwide threat to democracy."

—ANDREW ROSENTHAL



Mark Dole/The Associated Press

Captain Charlie Neely of the Georgia National Guard bidding his children farewell before his unit headed for duty in Saudi Arabia.

Some Diplomats Say Peace Efforts Turn Positive

By Tod Robberson
Washington Post Service

BAGHDAD — Several diplomats here say efforts to resolve the Gulf crisis appear to be taking a positive turn. They say a complex web of negotiations is unfolding that make them optimistic about an Iraqi withdrawal from Kuwait.

The diplomats, representing various groups of nations involved in the crisis, described an intricate diplomatic puzzle linking what previously appeared to be unrelated initiatives by the European Community, the Nonaligned Movement and the Arab world. The efforts are focusing on the restoration of Kuwait's sovereignty in exchange for guarantees that Kuwait and the international community would later address Iraq's preinvasion grievances.

The diplomats warned, however, that the complexity of such a formula, coupled with the unpredictable behavior of Iraq's leadership, made this scenario tenuous at best.

In Saudi Arabia, both Saudi and Kuwaiti officials said Saturday that no deals were in the making. In Washington, a senior administration official said the United States would accept any agreement reached among Iraq, Saudi Arabia and Kuwait, but insisted that there were no signs that the Saudis or Kuwaitis were interested in any such deal — or that President Saddam Hussein had offered one.

Nevertheless, the mood in the Iraqi capital — where Mr. Hussein held a meeting with Michel Vauzelle, chairman of the French National Assembly's Foreign Affairs Committee — seemed more upbeat regarding the prospects for peace. It contrasted with the tone in Washington, where President George Bush delivered a radio address Saturday reiterating U.S. threats to force Iraq out of Kuwait.

As Mr. Vauzelle met Mr. Hussein, Saudi and Kuwaiti officials held talks with Foreign Minister Budimir Loncar of Yugoslavia, who earlier this week met Mr. Hussein in Baghdad. Mr. Loncar's reception in Saudi Arabia marked a change for the Riyadh government, which last month refused to receive President Chadli Bendjedid of Algeria. Nevertheless, sources said there had been no progress in Mr. Loncar's talks.

Mr. Bush's announcement Friday that he would not send Secretary of State James A. Baker 3d to Baghdad did not represent a setback to the peace process, the diplomats said, because other methods of negotiating the withdrawal have eliminated the need for a direct U.S.-Iraqi dialogue.

In fact, analysts in Baghdad said, the planned meeting Wednesday in Switzerland between Mr. Baker and Foreign Minister Tariq Aziz of Iraq now amounts to little more than a face-saving formality. But face-saving, they said, is a crucial element in making the puzzle fit.

They said this would explain the persistent use of hard-line rhetoric by Mr. Bush and Mr. Hussein, even while their envoys have been working to reduce the potential for war.

"Baker will emerge from the talks declaring that he was firm with Aziz, he did not negotiate and that he demanded a full Iraqi withdrawal from Kuwait, etcetera, etcetera," a Western diplomat said. "Aziz will say he made Iraq's position clear on the Palestinian issue, and Iraq did not yield to the American threats."

Both sides would simply declare victory for the sake of their own domestic audiences, after which the various elements of a behind-the-scenes deal would start being implemented.

"The Americans will not back down," the diplomat said. "They say they won't make any face-saving offers. Well, they won't have to, because someone else is going to do it for them."

Another part of the process, according to one diplomat, is Mr. Loncar's talks with the Saudis and the Kuwaitis. He said he expected Mr. Loncar to secure both countries' consent for an "Arab solution" to the crisis — a face-saving measure sought by the Iraqis to give the impression that the Arabs resolved the problem without superpower interference.

Mr. Loncar's effort, which is on behalf of the Nonaligned Movement, is essentially the continuation of an unsuccessful mission by Colonel Bendjedid last month, the diplomat said. The Algerian mission failed when Saudi Arabia refused to receive the colonel, who reportedly carried a message from Mr. Hussein expressing willingness to settle the conflict.

According to several diplomats, the United States had persuaded the Saudis to reject the meeting because it wanted to avoid the public appearance that concessions were being made to Iraq or that negotiations were taking place. The State Department, however, has denied that the United States interfered with Colonel Bendjedid's efforts, saying the Saudis acted independently.

Nevertheless, Mr. Loncar is believed to be taking an Iraqi "package deal" to the Kuwaitis offering them their country back in return for guarantees that Iraq would have access to certain areas after its withdrawal.

Iraq, which has minimal port access to the Gulf, reportedly is seeking to lease from Kuwait the Gulf islands of Bubiyan and Warba. Further, Iraq apparently is seeking a Kuwaiti guarantee that it will not pump oil from the Rumailah oil field, which straddles the border between the two countries. Iraq also wants Kuwait to forgive a multibillion-dollar debt incurred during its war with Iran.

"This is the idea," said one diplomat. "Let the Iraqis withdraw and the Kuwaitis return. As an independent, sovereign state, Kuwait will then ask for talks with Iraq to resolve their differences once and for all. The Kuwaitis will then agree — as a sovereign state — to lease the islands and cap their oil wells in Rumailah.

"This would be the inter-Arab solution Iraq is looking for, but it will achieve the withdrawal everyone is demanding without prior concessions."

Although Iraqi officials refuse to speak on the record about a possible deal, Baghdad has signaled that a solution could emerge if there were guarantees — possibly through public statements or a UN resolution — that an international conference on the Middle East would be convened on Iraq's grievances.

MEDIC: *Supplies Lacking*

(Continued from page 1)

blood drives at 84 installations around the country, has for the first time tapped civilian blood banks in the United States for contributions of 2,000 units a week. A unit is equal to about a pint or about a half liter. Planners say they will need an average of four units of blood per casualty.

Colonel Belihar and other senior military physicians here insist that medical equipment has always been in place to deal with heavy casualties, and that capacity grows daily as thousands of hospital beds, tons of medical supplies and planeloads of doctors, nurses, and technicians pour in from the United States and Europe.

"The flow of medical personnel and hospital units has become a torrent," the surgeon general of the army, Lieutenant General Frank F. Ledford Jr., said in an interview in Washington.

Colonel Belihar and others acknowledge that spot shortages of certain specialists and equipment may exist, but that, overall, care is not jeopardized.

At lower ranks, however, doctors and other medical workers in Saudi Arabia warn that even if there are enough hospital beds, some medical equipment is still in short supply. Many say they are awaiting vital supplies that, in some cases, were requested two or three months ago.

At Navy Fleet Hospital 5, the largest American combat field hospital in Saudi Arabia, Commander Suzanne Morgan, a nurse who specializes in emergency care, put in a request last fall for a suction machine used to clear a patient's respiratory system. As of late December, it had still not arrived.

"I consider that essential equipment," she said. "It is not a frill."

U.S.: *'Iraq Is Manipulating EC'*

(Continued from page 1)

doesn't understand that we are serious."

Elsewhere in Washington, leaders in Congress provided the White House with a measure of qualified domestic support for a military offensive.

Thomas S. Foley, Democrat of Washington and the House speaker, joined with the Senate Republican leader, Bob Dole of Kansas, in saying that an impending vote in Congress authorizing Mr. Bush to launch an attack would probably pass in both houses, albeit narrowly.

Debate is set to begin after Mr. Baker meets Tariq Aziz, the Iraqi foreign minister, in Geneva on Wednesday but before the United Nations-imposed deadline of Jan. 15 for an Iraqi pullout from Kuwait.

Mr. Dole estimated that the vote would be roughly 60 to 40 in the Senate, and Mr. Baker reacted enthusiastically, saying such a level of support would be helpful to the administration. However, Mr. Foley said he would oppose going to war now, as did the Democratic leader in the Senate, George J. Mitchell of Maine.

Mr. Mitchell, asked how the Senate could possibly reject a presidential request for the authority to wage war, reacted testily.

"This is a democracy," he said. "This is not a monarchy. This is not a dictatorship."

Congressional leaders have demanded that Mr. Bush first request the authority to wage war, and Mr. Baker said Sunday that such a request had not been ruled out.

The main purpose of the Geneva meeting, Mr. Scowcroft said, is "to convince him that we are serious, that the coalition is determined that he will leave Kuwait."

Mr. Baker flatly ruled out any trip to Baghdad, just as Mr. Bush had done Friday.

Mr. Baker is carrying a letter from Mr. Bush to Mr. Hussein reiterating the threat of war, Mr. Scowcroft said, just in case Mr. Aziz "is not willing to convey what the message is." U.S. officials have speculated that Mr. Hussein has surrounded himself with sycophants unwilling to argue the case for a pullout or even to suggest options besides an annexation of Kuwait.

Mr. Baker said that one of his aims during scheduled meetings in London, Paris, Bonn, Ankara and nations in the Gulf was to determine which nations would support offensive military action to remove Iraqi forces.

Most of the allied forces in the Gulf are committed to going on the offensive, he said.

Mr. Scowcroft said that he was not optimistic about the outcome of the meeting in Geneva and that he expected the Iraqis to raise "ancillary" issues.

"I don't believe it will change very much," he said. "I'm hopeful that it will. But I don't see any indications that Saddam Hussein is getting the message.

ALLIES: *EC Renews Offer to Hold Talks With Aziz*

(Continued from page 1)

ly to joining the U.S.-led military buildup against Iraq, has needed an increasingly visible French and European diplomacy to protect him from domestic criticism that he has abandoned France's traditionally independent policy in the Middle East.

British and Dutch officials have sought to limit any separate EC moves, saying that they would be likely to foster illusions in Baghdad that the West was bluffing. French officials have maintained that EC governments needed to be able to show that they had warned Mr. Hussein that he had left the West no alternative to war.

COMBAT: *No U.S. Nuclear Arms*

(Continued from page 1)

they should risk their lives in a potentially bloody assault against Iraqi forces when tactical nuclear weapons could be used. In 1945, for instance, President Harry S. Truman authorized nuclear attacks on two Japanese cities as a means of shortening the war and saving American lives by coercing an unconditional Japanese surrender.

But a senior military official, who spoke on condition of anonymity, said he did not "see a moral parallel" between Mr. Truman's action and the Gulf confrontation.

"The world is more complicated now," the official said, "and the consequences of using tactical nukes — some of which are unpredictable — outweigh their military utility." Drawbacks could include offending U.S. allies and "destroying Kuwait in order to save it."

Stan Norris, a staff analyst at the Natural Resources Defense Council, said that the wisdom of having used the atomic bomb against Japan was still being debated. "Using nuclear weapons in the Gulf would blacken America's name for decades to come," he said.

Diplomats Doubt UN Will Review Pullout Deadline

International Herald Tribune

PARIS — Suggestions by French leaders that the United Nations Security Council should meet again to examine its Jan. 15 deadline for Baghdad to withdraw its forces from Kuwait seem unrealistic unless a major change occurs in Iraqi policy, diplomats said Sunday.

President François Mitterrand and Foreign Minister Roland Dumas, in separate comments on Friday, raised the possibility of a new Security Council session on Iraq.

But diplomats said that other permanent members of the Security Council had strong objections to another UN debate because they wanted to avoid reopening the decision to authorize force to free Kuwait.

Denying knowledge of any movement toward a new session, a British official said, "No one wants another meeting; not the Americans, not us, not even the Russians."

Mr. Dumas said that France "would not be against" a new Security Council discussion to change the UN deadline if Iraq committed itself firmly to withdrawal. Mr. Mitterrand also broached the idea that possible last-minute developments in Iraq would make it a good idea for the Security Council to hold another meeting. "Before launching what will be a war against Iraq, it would be better to evaluate all the elements at that juncture," he said.

IRAQ: *Hussein Tells Troops to Prepare for a Long War*

(Continued from page 1)

insisting that Baghdad has no choice but to pull out immediately and unconditionally.

If Iraq refuses to abide by UN demands for a withdrawal by Jan. 15, Mr. Bush warned, it will face "terrible consequences."

Apparently undaunted, Mr. Hussein told Iraqi troops Sunday that their battle was "consistent with God's divine law" and was a continuation of "the victorious march of Muslim armies from Medina to Andalusia, passing by Damascus and Baghdad."

Dressed in his customary military fatigues and dark beret, Mr. Hussein opened his address with a verse from the Koran, Islam's holy book, which said that war was moral when the cause was just.

"The battle against the tyranny represented by the United States and the slogans of hegemony it is raising is not expected to be a short one," Mr. Hussein said, speaking in calm, measured tones.

The message was apparently aimed at building morale in a nation suffering increasingly from a global UN trade embargo.

"A battle of such scope requires great sacrifices both in quantity and quality," Mr. Hussein said, "irrespective of the foreseen and unforeseen consequences which will no doubt please the friend and anger the enemy."

The traditional Army Day military parade in Baghdad was canceled. No official explanation was provided.

Most of Mr. Hussein's million-strong army is tied up in war preparations. He has an estimated 530,000 men in occupied Kuwait and along the southern Iraqi border with Saudi Arabia.

In his speech, Mr. Hussein said his army had the strength "to accomplish all its goals and take on the enemy."

"It is indeed a source of great pride to accomplish more than one goal in a single showdown," he said, connecting his struggle to the liberation of the Israeli-occupied West Bank and Gaza Strip.

Iraq has sought repeatedly to link a settlement in the Gulf with a Western commitment to progress on the Palestinian question. Authorities in Baghdad have said the Palestinian issue will be on the agenda in the Geneva talks.

(AFP, AP, Reuters)

Freighter in Gulf Hits Mine

Reuters

DUBAI, United Arab Emirates — A Cypriot-flag freighter was reported to have hit a mine near the Strait of Hormuz on Sunday but it was not clear if the explosion meant that Iraq was sowing new mines in the Gulf.

A spokesman for the Merchant Marine Ministry in Athens said that the 6,514-ton Demetra Beauty hit a mine in the Gulf of Oman about 200 kilometers (120 miles) from the strait.

"The ship was hit in its engine room and is slowly sinking," the spokesman said. "The crew is safe and was picked up by the Omani Coast Guard."

The spokesman said the information came from the Greek-flag tanker Patriotic, where the Demetra Beauty crewmen were taken by the Omanis.

Lloyd's Shipping Intelligence reported it had unconfirmed information from Saudi Arabia that another mine caused extensive damage to an unmanned offshore oil rig in the Gulf just south of Kuwaiti waters.

But the Bahrain-based Middle East Navigation Aid Service said that it had issued no warnings to shipping following the mine reports.

A U.S. Navy spokesman in Riyadh said six mines had been destroyed in the Gulf from mid-August to Dec. 31.

Some shipping sources said they probably dated from the 1980-88 Iran-Iraq War.

Western naval officers said they had no evidence that Iraq had been laying new mines, but said Baghdad had the capability to drop mines secretly by ship or plane.

Gulf Notes

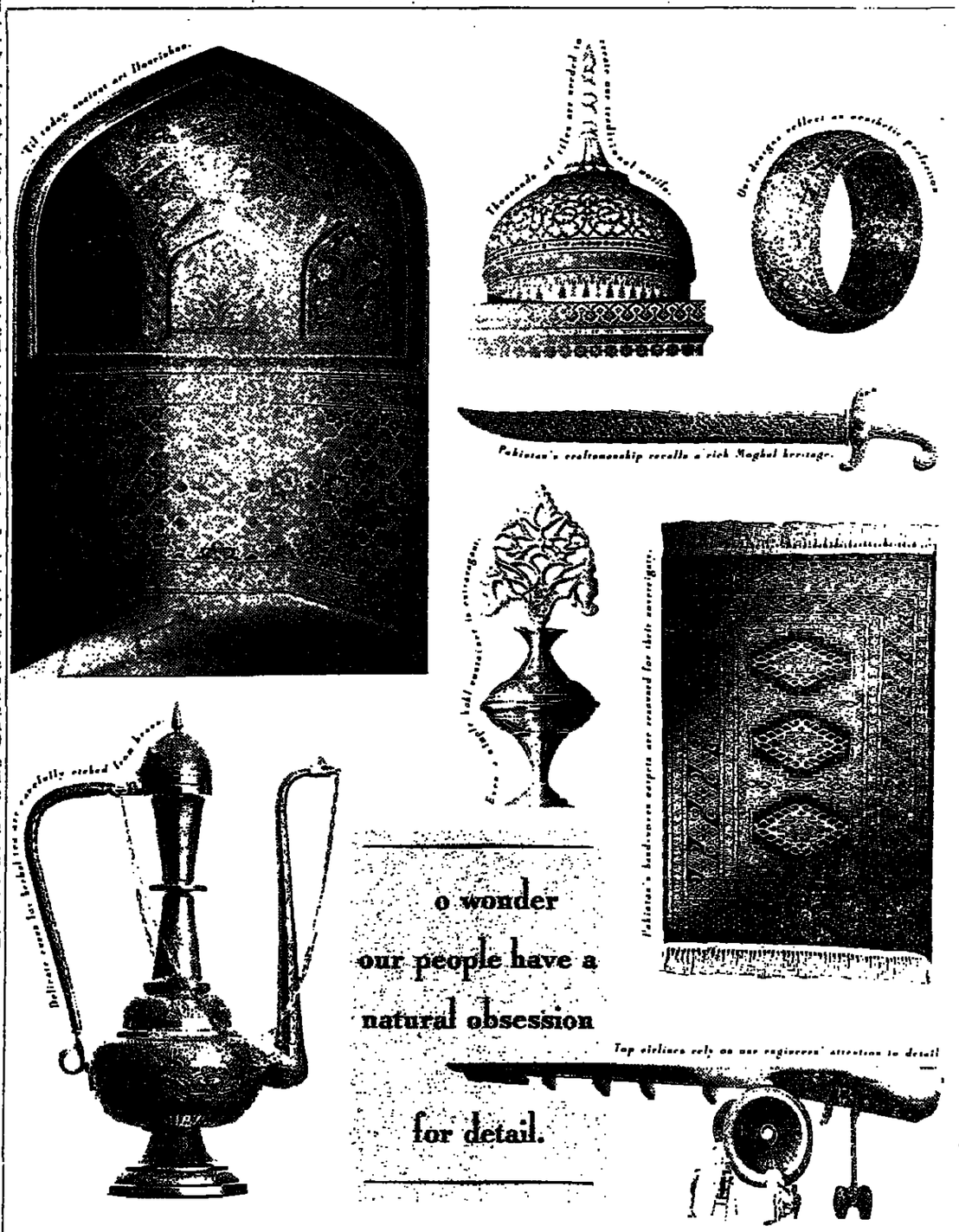
■ **BBC World Service** listeners voted President Saddam Hussein "Man of the Year," the Observer newspaper reported Sunday. Many letters in favor of Mr. Hussein were postmarked in northern Nigeria, where the Hausa language service of the Africa section transmits to regular audience of 8 million a week. A World Service spokesman said many listeners of the Hausa service are Muslim. *(Reuters)*

■ **Half of all Americans** believe U.S. forces in and around Saudi Arabia are "very likely" to become engaged in combat, up from 31 percent last month, according to a Newsweek poll released Saturday. Sixty-one per cent of Americans think U.S. forces should engage in combat if Iraq refuses to leave Kuwait and restore its former government, up from 56 percent last month. *(Reuters)*

■ **U.S. and Iraqi** delegations will both stay at the Inter-Continental Hotel in Geneva this week for the talks between Secretary of State James A. Baker 3d and Foreign Minister Tariq Aziz. *(AFP)*

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Herald Tribune INTERNATIONAL

BUSINESS/FINANCE

** MONDAY, JANUARY 7, 1991

EUROBONDS

Japan's Securities Houses Lose Grip on the Market

By Vincent Baby
Agence France-Presse

LONDON — Last year's sharp falls on the Tokyo Stock Exchange have unceremoniously unseated Japan's four leading securities houses from their positions at the top of the Eurobond market, according to a ranking published here.

The four big financial houses — Nomura International, Daiwa Europe, Nikko Securities and Yamaichi International — lead-managed only a fifth of the $175 billion raised on the market in 1990, according to rankings drawn up by the magazine Euromoney.

In the previous year, the four groups had dominated the international bond market, managing 38 percent of all Eurobond business and occupying the four top places.

The market share of Tokyo's Big Four fell by nearly half in 1990.

Although Nomura retained its position as the biggest single lead manager in 1990, Daiwa slid to fourth place, Nikko to seventh and Yamaichi to 10th, the magazine said.

The second and third slots last year went to Deutsche Bank AG and Credit Suisse First Boston, respectively, perennial market leaders before the ascension of the Japanese in the late 1980s.

Although the Eurobond market is a quintessentially international one, raising finance for companies, countries and institutions all around the world, the reasons for the decline of the big four Japanese firms are largely to be found on their home turf, analysts said.

The meteoric rise of the Tokyo security houses in the late 1980s was built mainly on Japanese companies' fondness for issuing international bonds carrying equity warrants, which investors can later turn into shares.

This provided a handy instrument for investment in the Tokyo Stock Exchange — as long as that exchange was booming.

But in 1990, the leading barometer of the Tokyo bourse lost 38 percent of its value, virtually wiping out demand for equity warrants and forcing both investors and the securities houses to look elsewhere for profits.

"THERE WAS NO MAGIC in what they were doing," said one official of a U.S. bank in London. "The fact that they made so much money from equity warrants allowed them to subsidize other issues."

He added that the Japanese houses had benefited from the traditionally cozy relationship they enjoy with their domestic clients — a far cry from the competitive free-for-all in other world financial centers such as London and New York.

Another U.S. banker said he saw little hope of a revival in the equity warrant market. "When a market collapses, a lot of investors typically just leave that market altogether," he said.

"Equity warrants have helped sustain a number of people for a long time," said Ian McCourt of Daiwa. He added that his company had diversified its activities considerably last year.

The fact that Nomura suffered relatively less than the three other Japanese groups was mainly due to the fact that it had always been more diversified, analysts said.

Mr. McCourt said that Daiwa, like most European and American financial groups, now sought to manage a more balanced range of instruments and currencies.

Many analysts said the fizzling of the equity warrants craze was a sign that the Eurobond market was consolidating and maturing after a decade-long boom.

"The market has done a lot to get costs down and especially to get rid of loss-making business," a U.S. banker said, adding that the current level of business should be enough to sustain the market's existing operators.

"Although the market environment in terms of the Gulf and recession isn't helpful, the actual attitude of participants has improved dramatically," Mr. McCourt said.

●●●

Japan reportedly has decided to lift its ban on investments in China, the last of the economic sanctions Tokyo imposed following Beijing's crackdown on the pro-democracy movement June 1989, Agence France-Presse reported from Tokyo.

The move would enable Japanese companies to make direct investments in China and allow China to resume floating bonds in Japan, the Nihon Keizai Shimbun said Sunday, citing Finance Ministry sources.

Finance Minister Ryutaro Hashimoto will finalize the plan during a visit to Beijing beginning Wednesday, and it is expected to take effect by April, the paper said.

Carl Gewirtz is on vacation.

FDIC Says It Can Cover Foreseeable Failures

Reuters

WASHINGTON — The chairman of the Federal Deposit Insurance Corp., which runs the fund that insures U.S. bank deposits, said on Sunday that the fund is solvent and can handle any bank failures "we see on the horizon."

But William L. Seidman, the FDIC chairman, said on U.S. television that the fund might need recapitalization if there is a long recession.

In a separate development, the FDIC called a news conference late Sunday at which it was expected to announce some steps to ensure that the troubled Bank of New England would not collapse. On Friday, the bank had said that its losses could reach $450 million in the fourth quarter, a setback that could push it into insolvency.

In his television interview, Mr. Seidman said that "Right now we have the funds to handle any failures we see on the horizon. We believe that given current conditions that we will be solvent and we can handle anything in sight."

"Our question is what happens if we go into a long and deep recession; that may require ti.e recapitalization that we've talked about in the FDIC fund," Mr. Seidman said.

Mr. Seidman's comments, though gloomy, appeared less ominous than previous statements by the FDIC chief. In December, Mr. Seidman had predicted that the fund would lose $5 billion this year, moving it perilously closer to insolvency. He warned that a recapitalization would be needed.

The FDIC chairman's remarks came amid worries over the state of the U.S. banking industry, with many banks reporting losses and a recession deepening.

Mr. Seidman said there were indications that organized crime was involved in the circumstances that led to the closure of 45 Rhode Island state banks and credit unions last week.

"There is some evidence that the Mob was involved," Mr. Seidman said. "We don't have clear proof at this time, but it's being investigated."

The banks and credit unions were closed by the governor of Rhode Island, Bruce R. Sundlun, following the near-collapse of the state's private fund, the Rhode Island Share and Deposit Indemnity Fund, which insures their deposits.

Mr. Seidman said he believed that Mr. Sundlun had to close the institutions under state law. He said the problem now was how to get the money to cover all the depositors.

"I'm sure he can; he says he can and I would believe him. But we don't know exactly how yet," Mr. Seidman said.

The institutions were closed until they could arrange for federal government insurance. The order involved about 300,000 accounts totaling about $1.7 billion.

The Rhode Island Share and Deposit Indemnity Fund's troubles began with the failure in November of the Heritage Loan & Investment Co. The fund had to disburse much of its reserves to Heritage's depositors.

■ Rhode Island Banks

Federal regulators said Friday that they would not provide insurance to five Rhode Island banks whose operations were suspended last week by the state's governor, the New York Times reported from Washington.

The decision means that the five banks will not reopen soon. Depositors could end up not receiving 100 cents for every $1 in their accounts.

The five banks denied federal insurance coverage hold $365 million in deposits. Five other banks and investment companies did not apply for federal protection.

The denial of insurance to the banks came after the U.S. government denied insurance coverage to 11 of the 35 credit unions closed by the governor on New Year's Day.

The FDIC said the five bank applications had been denied because the institutions did not qualify for insurance.

Inflation Fall Seen In Britain

Major Says Rates Likely to Follow

Reuters

LONDON — Prime Minister John Major said Sunday there were unmistakeable signs that Britain's inflation rate was coming down and he expressed confidence that interest rates would follow.

But, in his first full television interview since becoming prime minister in November, he said the government was committed to maintaining the pound's value within the European Monetary System, and said he did not foresee a realignment under which the pound would be devalued.

Mr. Major also acknowledged in his clearest terms yet that Britain was in recession, but he said he did not believe the downturn would be as serious as that of the early 1980s.

The commitment to defend the pound reiterated comments made by Mr. Major and Chancellor of the Exchequer Norman Lamont last week, but the prime minister struck a softer tone on interest rates.

"We are convinced that inflation is going to come down," Mr. Major said in the interview with TV-AM. "The signs are unmistakeable. Interest rates will be likely to follow the inflation rate down."

Key short-term U.K. interest rates are at 14 percent, as part of a tight-money policy aimed at dropping a 9.7 percent inflation rate.

Mr. Major did not rule out the necessity of raising interest rates if the economic situation demanded such a move, for example to protect the level of sterling.

"If you enter into a commitment to maintain sterling within certain values you have to follow the economic judgements that ensure that you do that," said Mr. Major, who engineered Britain's entry into the Exchange Rate Mechanism of the EMS as chancellor in October.

Asked if he would consider devaluing the pound if it came under pressure, he replied, "No."

Mr. Major said the economy was in recession, with output having fallen for two successive quarters and likely to remain low for a few months to come. But he said, "I don't believe it will be serious as the one in the early 1980s."

■ Business Confidence Up

Confidence among top British businessmen has risen modestly since Mr. Major became prime minister, but about half of 200 business leaders surveyed by the Institute of Directors were less optimistic about the economy than six months ago, Reuters reported.

EC-Latin Farm Talks Are Planned

Agence France-Presse

MONTEVIDEO — The European Community's trade commissioner will meet with several Latin American ministers in Uruguay later this month to seek ways to reactivate the deadlocked world trade talks, diplomats here said Saturday.

The EC official, Frans Andriessen, will meet with officials from Argentina, Brazil, Colombia, Chile, Mexico and Uruguay to bridge differences over farm subsidies that have stymied the trade talks.

Several of those countries are members of the Cairns group of agricultural exporters who, along with the United States, have been pressing for deep cuts in agricultural subsidies.

The Community's resistance to such cuts led to the breakdown last month of a four-year round of trade talks under the General Agreement on Tariffs and Trade.

The meeting is to take place Jan. 25 and 26 at Punta del Este, the Uruguayan resort where the current round of GATT talks got under way in October 1986, diplomats said.

Afterward, Mr. Andriessen is to meet the U.S. trade representative, Carla Hills, in Washington.

In an interview Friday with Japanese reporters in Washington, meanwhile, Mrs. Hills called on Japan to decide by the end of February to open its rice market to help break the GATT stalemate.

But Japan's agriculture minister, Motoji Kondo, said in a interview in Tokyo Saturday his government would stick "more strongly than ever" to curbs on rice imports.

■ Seoul in Trade Move

South Korea reportedly will accept most U.S. trade demands in an effort to repair damage done by last year's friction with Washington, Agence France-Press reported from Seoul.

Lee Bong-Suh, the newly appointed trade and industry minister, is to meet U.S. Ambassador Donald Gregg this week and wants to demonstrate that Seoul does not have protectionist tendencies, the Korea Times reported.

Consumers Take a New Shine to Silver

By Jonathan P. Hicks
New York Times Service

NEW YORK — When the price of silver reached a momentary peak of $48.70 an ounce during the Hunt brothers' buying spree a decade ago, and averaged out in 1980 at a stratospheric $20-plus, manufacturers abandoned the precious metal in droves.

But since then, silver has fallen to about $4.20 an ounce, its lowest point since the late 1970s, and the metal is once more attractive, particularly in photography and electronics.

Industry analysts estimate that global silver use by manufacturers climbed 2.3 percent last year to 480 million ounces, the most since 1976. They also estimate that 123 million ounces were used in the United States, the most in a decade.

Jewelers are hopping on the bandwagon as consumers find silver more affordable, certainly more affordable than gold. Even makers of silverware, an industry that nearly vanished, say business is up.

Manufacturers are using silver more economically this time around. Makers of photographic film use more silver overall, but a bit less for each frame.

Electronic equipment makers employ more silver as a conductor, while its use in computers has soared.

Although low prices have revived demand, 'they have been putting the silver mining industry into a fix.'

Thomas Albanese, chief operating officer of Nerco Inc.'s gold and silver mining subsidiary.

Producers, however, are still suffering. Many major silver-mining companies are losing money and curtailing production.

Others, who mined silver as a sideline, are abandoning it altogether. Analysts anticipate further price declines before tightening supplies force an uptick in 1992.

In most businesses, a company that cuts operating costs in half would be profitable indeed. But Thomas Albanese, chief operating officer of the gold and silver mining subsidiary of Nerco Inc., the second-largest U.S. silver mining company, has little to show for reducing his silver production costs from $8 an ounce in 1983 to $4 an ounce early last year.

"The recent prices have been putting the silver mining industry into a fix," he said.

The decline in operating costs has been largely due to an open-pit mining technique known as heap leaching, which requires less labor and eliminates the need for costly underground mines.

But when silver sells for $4.20 an ounce, many mining companies turn to other metals. Two-thirds of the U.S. silver producers also unearth gold, copper or zinc. Mr. Albanese has been turning to gold.

"That attention to other metals has helped our operations to be profitable," he said. "There really isn't much choice."

For producers with no alternatives, low prices have meant steep losses. Production costs for most silver miners fall between $4.75 and $5 an ounce — yielding narrow profits at the average 1989 price of $5.50 an ounce and losses last year.

"Globally, silver companies have lost hundreds of millions of dollars," said Jeffrey M. Christian, managing director of the CPM Group, a New York-based precious-metals consulting company.

In the United States, silver is most likely to be found not in bank vaults or table settings or

See SILVER, Page 9

U.S. Takes Tougher Trade Stance Toward Japan

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — Washington has turned more truculent in its economic relations with Tokyo, reflecting both frustration over Japanese trading policies and unease over the wave of Japanese investments in the United States.

The Interior, Justice and Treasury departments have taken actions recently signaling policy shifts that strike at Japan.

The moves — prompted by sentiment that Japan does not play fair economically — go against previous positions of the Bush administration but have not been challenged by the White House. They could be intended to head off an expected drive in the 102nd Congress toward punitive foreign investment and trade legislation.

"There's a hard search for new ways for the United States to get tough," said Kevin L. Kearns, former Senate Foreign Relations Committee staffer now at the Economic Strategy Institute, a Washington policy research group. "Legislation will begin to take shape that could have a life and momentum of its own."

Some economists link the toughness with a weakening economy. To Shafiqul Islam of the Council on Foreign Relations in New York, "Whenever you see jobs lost and economic misery rising, these are times when foreigner-bashing activities go up."

In the most publicized action, the Interior Department is trying to prevent Matsushita Electric Industrial Co. from owning rights to do business in California's Yosemite National Park through its takeover of the Hollywood entertainment company MCA Inc.

The Justice Department said it was preparing to file a civil antitrust lawsuit to block the acquisition of an American semiconductor equipment company by Nippon Sanso KK. The move came even though President Bush last year gave the transaction a go ahead by saying the takeover of Semi-Gas Systems, a unit of Hercules Inc., posed no threat to national security.

The Treasury Department is considering supporting the Fair Trade in Financial Services Act, which almost became law last year. Should this occur, it would mark the first time the Bush administration has supported legislation to allow discretionary sanctions against a country that permitted fewer investment opportunities to American companies than those its companies enjoyed in the United States.

The bill would empower Federal banking regulators to deny applications by foreign banks for branches if the Treasury secretary determines that equivalent competitive opportunities are not available in the foreign bank's home market.

That the White House has not slapped any wrists in the three departments is widely seen as tacit approval of the more aggressive approach, which stems from Japan's refusal to support greater market access in agriculture at world trade talks.

"By ducking the issue, Japan gave evidence to those in this country looking for evidence that Japan is not a force for liberalization of world trade," said S. Linn Williams, deputy U.S. trade representative.

CURRENCY RATES

Cross Rates

Jan. 4

	$	£	DM.	F.F.	Lire	D.Fl	B.F.	S.F.	Yen	CS	Peseta
Amsterdam	1.8925	3.2965	1.1234	N.A.	N.A.	—	N.A.	N.A.	N.A.	N.A.	N.A.
Brussels	30.725	53.55	18.24	4.868	2.7295	16.225	—	24.25	0.2286	28.67	32.40
Frankfurt	1.6925	2.949	—	0.2744	0.1535	0.8868	4.854	1.1813	1.72	1.297	1.577
London (a)	1.7145	—	2.1153	5.879	2.1045.50	2.2888	59.925	2.47	248.995	2.2265	184.68
Madrid	94.26	164.402	63.425	18.67	8.471	54.225	3.2873	74.87	76.99	92.14	—
Milan	1,133.48	3,966.88	752.68	221.65	—	662.15	36.532	888.40	8.419	975.38	71.864
New York (b)	—	1.728	1.305	3.307	1.532.88	1.8963	36.995	1.274	124.75	1.1314	95.295
Paris	5.8435	9.864	3.394	—	0.4574	3.3912	0.1648	4.6893	3.8874	4.286	5.3565
Tokyo	133.48	268.88	97.29	24.29	0.7188	79.28	4.384	161.54	—	115.68	1.4887
Toronto	1.1515	2.2282	0.7656	0.2257	1.818	0.679	3.715	0.8935	0.8585	—	1.308
Zurich	1.2745	2.4694	0.8469	0.25	0.1727	0.7522	4.118	—	0.9462	1.1899	1.2067
1 ECU	1.3726	0.7045	2.847	6.951	1,548.08	2.2083	42.3887	1.7216	182.902	1.5886	129.262
1 SDR	1.4284	0.7241	2.1349	7.2463	1,605.79	2.4026	43.9252	1.8002	190.899	1.6485	135.449

*Closings in Amsterdam, London and Zurich, listings in other centers; New York closing rates, Toronto rates at 3 a.m. a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5194.0	Greek drac.	157.85	Mex. peso	2950.00	S. Afr. rand	2.5425
Austral. $	1.2812	Hong Kong $	7.7941	N. Zealand $	1.6964	Soviet ruble*	0.5405
Austr. schil.	10.30	Indian rupee	18.148	Norw. krone	5.845	Swed. krona	5.68
Brazil cruz.	141.22	Indo. rupiah	1968.02	Phil. peso	27.88	Taiwan $	26.43
Canada dollar	1.172	Irish £	0.5604	Port. escudo	133.40	Thai baht	25.15
Danish krone	5.744	Israeli shek.	1.9662	Saudi riyal	3.75	Turkish lira	2894.00
Egypt. pound	2.8736	Kuwaiti dinar	n.a.	Sing. $	1.7443	UAE dirham	3.6727
Fin. markka	3.604	Malay. ring.	2.7057	S. Kor. won	716.80	Venez. bolfv.	52.48

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.9338	1.9238	1.9139	Canadian dollar	1.1553	1.1585	1.1620
Deutsche mark	1.6826	1.6911	1.6883	Japanese yen	133.51	133.57	133.62
Swiss franc	1.2645	1.2630	1.2616				

Sources: Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Goldbank (Gold). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Jan. 4	Dec. 28	Chge
DJ Indus.	2,564.09	2,629.21	—2.48 %
DJ Util.	207.94	210.07	—1.01 %
DJ Trans.	909.11	911.54	—0.27 %
S & P 100	302.56	309.44	—2.22 %
S & P 500	321.00	328.72	—2.35 %
S & P Ind	375.97	385.36	—2.61 %
NYSE Cp	175.95	179.65	—2.06 %
Britain			
FTSE 100	2,124.10	2,160.40	—1.57 %
FT 30	1,689.30	1,685.20	—1.54 %
Japan			
Nikkei 225	24,049.	23,849.	+0.92 %
West Germany			
DAX	1,398.07	1,398.22	—0.13 %
Hong Kong			
Hang Seng	3,046.61	3,053.73	—0.23 %
World			
MSCIP	468.40	458.50	+0.41 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	Jan. 4	Dec. 28
Discount rate	6½	6½
Prime rate	9½	10.00
Federal funds rate	5½	7½
Japan		
Discount	6.00	6.00
Call money	8½	8 3/32
3-month interbank	N.Q.	8 3/32
West Germany		
Lombard	8.50	8.50
Call money	8.55	8.55
3-month interbank	9.25	9.25
Britain		
Bank base rate	14.00	14.00
Call money	14.00	14¼
3-month interbank	13 15/16	14.00
Gold	Jan. 4	Dec. 28	Chge
London p.m. fix.$	387.40	386.20	+0.31 %

Comecon's Gone, but Bloc Will Live On

By Michael Parks
Los Angeles Times Service

MOSCOW — Members of Comecon, the Soviet-led trading bloc, agreed on plans Saturday to dissolve the organization and replace it with another that would promote integration into the world economy.

Comecon's executive committee, after meeting here for two days, announced that it had approved "proposals for the radical overhaul of the system of economic cooperation by member states, including a draft charter for a new organization." The new organization would operate on the basis of market principles of supply and demand rather than central planning.

Although expected for more than a year, the dissolution of the Council for Mutual Economic Assistance, as Comecon was formally known, will mark the end of four decades of Soviet efforts to dominate the economies of its onetime satellites in Eastern Europe as well as their attempts to spread state socialism to the Third World through trade and economic cooperation.

"The Council for Mutual Economic Assistance has exhausted itself, but the economic 'space' of its member countries is not a myth but a reality," the official Soviet news agency Tass commented in a report on the meeting. "This must be taken into account, and member countries should not break the traditional economic links between them."

But trade fell sharply last year and is expected to decline again in 1991, according to Soviet officials.

The new group will be called the Organization for International Economic Cooperation. It will attempt to preserve as much of the economic web as possible while trade is switched to world prices — payable in convertible currencies — from an elaborate system of barter deals whose value was calculated in Soviet rubles.

Tass said that it will promote cooperation on a market basis, rather than through the coordination of the centrally planned economies that its nine members once had, determining priorities jointly, allocating development of certain industries to various countries and combining their investment funds.

"The theory was all right if you believed in central planning," a senior Hungarian economist here commented. "The problem was that central planning failed in one country after another on a national level, and attempts to elevate it to a supranational level inevitably failed too.

"And there was that rather unpleasant aspect of Big Brother in Moscow telling us what to do in Budapest or Warsaw or Prague. You always suspected that he benefited more from the deal than you."

Comecon officials said that the new organization, instead of trying to coordinate government development and investment plans as before, will attempt to facilitate continued or expanded cooperation between individual enterprises or within specific industries.

The new organization will also aim, Tass reported, at the integration of its members in European and other regional economic groups.

Comecon's transition, expected to begin in late February, could take two years and in some cases even longer.

"At first, everyone wanted to go 'cold turkey' — to withdraw, to break contracts, to get out fast and completely," another East European economist said. "And then they looked at those markets in which they would have to compete and decided, well, a prolonged transition would be better as long, of course, as all the trade was in U.S. dollars or, even better, German marks."

ATLAS FUND
Société d'Investissement à Capital Variable
R.C. Luxembourg B 27 255
NOTICE OF MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders will be held at the registered office in Luxembourg, 10A, Boulevard Royal, on:

Thursday 17th January, 1991 at 11.00 a.m.

for the purpose of considering the following Agenda:

1. To accept the resignations of Prince Rupert Loewenstein, Dr. Alfred Hartmann, Mr. Henri de Vestinmon, Mr. Nicolas Jeejle, and Mr. Richard Kiche as Directors of the Company.
2. To grant discharge to the resigning Directors in respect of the execution of their mandate.
3. To appoint in replacement of the resigning Directors Mr. Donald Marr and Mr. Jonathan O'Donoghue both directors, Nicolay Associates Limited, 35 Hill Street, London W1X 7FD.
4. As the capital of the Company has fallen below the minimum capital, the question of dissolution of the Company will be submitted to the shareholders.

No quorum shall be prescribed for the all agenda of this meeting. The dissolution (point 4) may be resolved by shareholders holding one fourth of the shares at the meeting.

The shareholders on record on the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company not later than twenty-four hours before the meeting.

The present notice and a form of proxy have been sent to all shareholders on record at 28th December, 1990.

Proxy forms are available upon request at the Registered Office of the Company.

By order of the Board of Directors
J. Pierson
General Manager

PRI / TECH
Siège social : 20, boulevard Emmanuel Servais
L-2535 Luxembourg
R.C. Luxembourg B. 20 566

AVIS DE PAIEMENT D'UN PREMIER DIVIDENDE DE LIQUIDATION

Le liquidateur de la société PRI/TECH, la Compagnie Financière Edmond de Rothschild Banque à Paris, a décidé la mise en payement d'un premier dividende de liquidation.

A partir du 4 janvier 1991, un dividende sera versé contre remise du certificat au porteur PRI/TECH. Ce versement sera dû pendant une période de 5 ans commençant le 4 janvier 1991. Tout dividende qui n'aura pas été réclamé avant le 4 janvier 1996 sera versé à la Caisse des Consignations à Luxembourg. Les paiements de ce premier dividende de liquidation se fera auprès de la Banque Privée Edmond de Rothschild S.A., 20 boulevard Emmanuel Servais, à Luxembourg, et auprès de la Compagnie Financière Edmond de Rothschild Banque à Paris, 47 rue du Faubourg Saint-Honoré.

Pour la société
Banque privée Edmond de Rothschild S.A.
Succursale de Luxembourg
20, Bvd. Emmanuel Servais
L-2535 LUXEMBOURG

In the December issue,
A WORLD-WIDE RANKING OF BANKS



Reserved for those with responsability in the world of HAUTE FINANCE

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Among those who have been spot-lighted recently in HAUTE FINANCE

- Robert ALEXANDER
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- Michel CAMDESSUS
- Jacques-Henri DAVID
- Gérard ESKENAZI
- Valéry GISCARD d'ESTAING
- Philippe JAFFRÉ
- Thomas LABRECQUE
- Philippe LAGAYETTE
- Daniel LEBEGUE
- André-LÉVY-LANG
- Robert MAXWELL
- Henri MOULARD
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HTHFB

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, January 4.

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
A							
A&W Bd			8460	35½	31¼	31¼	—2¾
ABS	.32	6.1	59	5⅝	5¼	5¼	— ½
ACC Co	.16	2.0	778	9	7¾	8	+ ¼
ADC			3315	24¾	22¾	24	+ ¼
ADT			16451	21¾	20½	20¾	—1¼
AEL			17	4½	4⅛	4½	+ ⅜
AEP			1797	8¾	7¾	7¾	— ⅜
AST			24268	37¼	33½	34	—1⅞
D							
D&N Fn			245	3½	2¾	3	
DBA			321	2⅛	1⅞	2⅛	+ ¼
DDI			265	1⅞	1¼	1¼	— ¼
DEP			329	4⅞	4⅛	4½	— ⅜
DF Sou	.15e	2.4	226	6½	6¼	6¼	
DH Tch			478	8¾	8	8	— ½
DNA Pl			1238	3⅜	3	3	— ¼
DOC			1	4	4	4	
DS Bnc	1.20	10.9	1500	12½	11	11	—1
DSC			10267	6⅞	6	6⅛	— ⅝
DVIFn			308	10¾	10½	10½	
ImaFlm section							
ImaFlm			298	11	9⅝	10½	+ ⅜
ImaF wt			208	1⅝	¾	1¼	+ ¼
Imatrn			2869	⅝	⅜	⅜	+ ⅛
ImtrnWt			402	⅛	⅛	⅛	
Imnet			1001	1¼	7	1⅛	+ ⅛
ImectSv			184	⅝	⅜	⅝	+ ⅛
Imucor			2288	15¼	14¼	14½	— ¼
Imunex			7199	37½	34½	36½	+1⅝
ImunRsp			275	3¼	2⅞	3⅛	+ ⅛
ImprBc	.40e	3.3	403	12¾	11¾	12¼	—1
InFocu			15613	13½	10	11¼	+ ⅛
IndBco	1.16	9.3	784	12½	12⅛	12½	
InaBkMi	.44	6.5	37	6¾	6⅝	6¾	
Indiner	.84	4.3	743	19½	15½	19½	+3⅝
IndxTc			559	9¼	8¼	8½	— ¼
IndlFdl	.40	4.5	297	8⅞	8¼	8⅞	+ ⅝
InAcous	.25	3.5	75	7⅛	6¾	7⅛	+ ⅜
Intel			39784	39¾	37¾	38⅜	+ ⅝
InterTel			97	1¼	1	1¼	+ ¼
Invtrn	.04	.7	125	5½	4⅝	5½	+ ¼
IowaNt	1.48a	3.9	94	38	32⅜	35½	+2½
IowaSo	2.28	6.8	794	34	32⅝	33½	— ¼
Iroquol	.50	7.4	23	6¾	5⅜	6¾	+ ⅜
Isco	.20	2.1	74	10	9½	9½	— ½
Isomdx			321	12¼	11⅛	12¼	+ ⅛
ItoYokd	.58e	.6	19	106¼	104¼	104¼	+ ¾
J							
J&J Sn			587	8¼	7⅞	8	— ¼
JBRst			313	6⅛	5⅝	5⅝	+ ¼
JLG	.25	2.5	113	10¼	10	10	— ½
JSB Fn	.20a	1.6	3176	13	12⅜	12⅝	— ⅜
Jocobsn	.50	4.1	970	13	10¾	12¼	+1
Jasvia	1.60	7.3	59	23	22	22	— ½
Juno	.28	1.4	562	17¼	16¼	17¼	+ ¾
Justin s	.40	3.1	132	13½	13	13	
Tyson	.04	.1	6225	31½	29¼	29¾	—1½

(Continued on next page)

مكتبة من الأصل

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Fixed-Coupons						
JAL Finance Europe	$20	1994	8¾	101⅝	—	Noncallable. Fees 1⅞%. Denominations $1 million. (IBJ Int'l.)
1999 Star Capital	$50	2001	7½	100	—	Coupon will be 7½% until 1996 and 7⅞% thereafter. Noncallable. Fees not disclosed. Denominations $10,000. (Daiwa Europe.)
1999 Star Finance	$340	2001	7½	100	—	Coupon will be 7½% until 1996 and 7⅞% thereafter. Noncallable. Fees not disclosed. Denominations $10,000. (Daiwa Europe.)
Barclays Australia Int'l Finance	Aus$75	1994	13	101.95	—	Noncallable. Fees 1⅞%. (Barclays de Zoete Wedd.)
Crédit Lyonnais Australia	Aus$75	1994	13	101.70	—	Noncallable. Fees 1⅞%. (Hambros Bank.)
Marubeni Int'l Finance	¥10,000	1994	7.30	101½	—	Noncallable. Fees 1⅞%. (Nomura Int'l.)
Sumitomo Metal Industries	¥20,000	1999	7⅛	101¼	—	Noncallable. Fees 2%. (Nikko Securities Europe.)
Sumitomo Metal Industries	¥30,000	2001	7⅛	101¼	—	Noncallable. Fees 2%. Denominations 10 million yen. (Daiwa Europe.)

China Gets Inflation Warning

The Associated Press

BEIJING — Chinese economists are warning of a resurgence of inflation this year despite a two-year austerity program to hold down prices, an official report said Sunday.

China ordered the nationwide austerity program in the fall of 1988, after inflation had hit a high of nearly 40 percent. It managed to bring inflation down to 3 percent for most of last year.

But some economists say inflation has not been beaten and that "inflationary pressure is building up, covertly but strongly," the official China Daily reported.

The economists say massive injections of bank credit, budget difficulties, low economic efficiency and planned price increases for some goods all are signs of impending economic woes.

They predict that the combination of rising production costs and the government's inability to continue the subsidies needed to maintain price stability will worsen inflation by the second half of the year, the paper said.

In November, China's inflation rate was running at 5.3 percent.

The signs are worrisome to the Chinese leadership, which has made controlling inflation a priority. Some officials believe discontent with high inflation in the late 1980s, indirectly fueled the 1989 prodemocracy protests.

But the austerity program pushed the Chinese economy into a slump, and the government substantially increased loans to state enterprises lest failing factories and rising unemployment also lead to unrest.

The economists say new loans last year totaled 250 billion to 290 billion yuan ($53 billion to $61 billion) — the highest in the 40 years of Communist rule. The cost of these loans will begin driving up commodity prices by the middle of the year, they say.

Meanwhile, the state has stretched its budget nearly to the limit by providing subsidies to keep prices down and help failing enterprises.

In 1989, subsidies amounted to 97.01 billion yuan, or 33 percent of government revenue. The figure for last year was even higher, the economists say, because a sluggish market meant enterprises needed even more help from the state.

"The government cannot continue carrying such a big burden indefinitely. Its endurance has almost reached its limit," the paper quoted one economist as saying.

BUSINESS BRIEFS

Arab-Owned Bank Has Record Profit

BAHRAIN (Reuters) — Investcorp Bank said that it had a record net profit in 1990 of $66.3 million, up 28 percent over the previous year, despite uncertainty generated by the Gulf crisis.

Investcorp, which is owned by shareholders in six Gulf Arab states and channels private investment into Western companies, said its assets rose to $943.9 million at the end of 1990 from $813.9 million a year ago, according to a statement published Sunday by local newspapers. Operating income rose to $99.25 million from $77.17 million.

Nemir Kirdar, Investcorp's president and chief executive officer, said 1991 would be another difficult year for the financial community. "The economic recession in the U.S. and Europe and the unresolved crisis in the Gulf confront us with profound difficulties the extent of which remains unknown," he said.

Sansui Seeks to Replace Polly Peck

TOKYO (AFP) — Japan's Sansui Electric Co. is looking for firms to buy its shares from its largest shareholder, Britain's beleaguered Polly Peck International PLC, press reports said Saturday.

"Frankly speaking, we want to part company with PPI as soon as possible," the news agency Jiji Press quoted a senior Sansui official as saying. The Kyodo news agency said Sansui was expected to approach major electronics companies in Japan and South Korea this month, including Matsushita Electric Industrial Co. and Samsung Electronics Co.

Polly Peck owns 51 percent of Sansui, worth about 15.6 billion yen ($120 million).

Swiss Bank Corp. Sees Lower Profit

ZURICH (Reuters) — Swiss Bank Corp. will report significantly lower profits for 1990, Chief Executive Walter Frehner said in a newspaper interview Sunday.

Asked by SonntagsZeitung if estimates of a profit decline of 10 to 25 percent were realistic, he replied: "Something on that scale must be about right." The company earned a net profit of 749.5 million francs ($590 million) in 1989.

Korean Ship Orders Jumped in 1990

SEOUL (Reuters) — Foreign and domestic orders placed with South Korea's shipyards soared to 4.94 million gross tons in 1990, up 42.4 percent from 1989, the Korea Shipbuilding Association said Saturday.

The value of orders rose to $4 billion in 1990 from $3.39 billion in 1989, an association official said.

"Since the end of 1989, orders flooded into Korea from foreign countries which hope to replace their aged ships with new ones," he added. He also attributed the rise to the dwindling number of strikes at South Korean yards last year.

Earnings Decline at Thai Airways

BANGKOK (Reuters) — Thai Airways International, which plans to start selling shares later this year, said its pretax operating profit for the year ended Sept. 31 fell 9 percent, to 6.754 billion baht ($268 million).

The company said its earnings were hurt by soaring fuel costs caused by the Gulf crisis, inflation and a slowdown of the world economy. The chairman of the airline, Air Chief Marshal Kaset Rochananil, said revenue rose 11.9 percent, to 48.615 billion baht.

For the Record

Sun Microsystems Inc. said that it agreed to sell 491,755 newly issued common shares to American Telephone & Telegraph Co. The sale, valued at about $13.7 million, would increase AT&T's stake in Sun to about 15 percent, Sun said. *(Reuters)*

Westpac Banking Corp., Australia's largest bank, will close its Seoul branch to bring down the curtain on an acrimonious 124-day strike, bank officials said here Saturday. The strike at the branch, which was set up in 1986, has been the longest ever in South Korea. *(AFP)*

$47 Billion in New Issues Set

Outcome of Auctions Depends on Mideast Developments

Compiled by Our Staff From Dispatches

NEW YORK — A whopping $47 billion in U.S. securities is scheduled to be auctioned in the coming week, but the issues could founder in the shifting sands of Middle East diplomacy, economists said.

Unless a solution is found before the UN's Jan. 15 deadline for Iraq to withdraw from Kuwait, "the bias should be for the market to exact concessions," said James Capra at Lehman Government Securities Inc.

The markets are more volatile than usual due to uncertainty about the economy. They "could go wildly in either direction depending what happens in the Mideast," said Nicholas Perna, chief economist at Shawmut National Corp.

If there is a peaceful solution, the bond market "will go into a state of unbridled euphoria," said Mr. Perna. "All it would take is a sign of a resolution, a couple of weak economic numbers."

President George Bush has called Iraq's acceptance of a U.S. initiative for a meeting with Secretary of State James A. Baker 3d this week "a useful step."

The uncertain atmosphere is likely to make investors wary of taking up new paper.

Auctions start Monday with the Treasury's weekly bill sale for the usual $20 billion. Bills are seen as the investment of choice for insecure investors seeking liquidity.

But the short-term issues may suffer because U.S. jobs data on Friday damped hopes for an early easing of interest rates by the Federal Reserve Board, economists said.

On Tuesday, Refcorp, the financing arm for the U.S. thrift industry, will auction a 39-year $2 billion bond and a 30-year $4.95 billion bond. Economists said worries about the banking industry may hurt demand for the issue.

U.S. CREDIT MARKETS

The Treasury's seven-year $8.5 billion note sale falls on Wednesday, when Mr. Baker will meet with the Iraqi foreign minister, Tariq Aziz, in Geneva.

The market is liable to brace for the worst, traders said.

The Treasury will also auction an $11.75 billion one-year bill Thursday.

The huge supply of new issues will come after a down week for Treasury securities.

Prices were hit after Friday's news that December nonfarm payrolls fell by 76,000.

Although the government's employment report raised questions among some bond market participants about how the figures were calculated, dealers said that most thought it prudent to either cash in recent profits in Treasury issues or to sell these securities short.

The market had expected another sharp drop in December nonfarm jobs, perhaps as large as 150,000. But the government report of about half that number, which was released before the opening of trading, sent the fixed-income market reeling.

In addition to discouraging hopes of lower rates, the relatively positive news was bad for the bond market, which tends to thrive on negative economic news.

"From the opening on, nothing seemed to relieve the gloom, although the market did recover somewhat on news of the various Mideast peace efforts," said William V. Sullivan Jr., senior vice president at Dean Witter Reynolds.

"But the market ended as weak as it opened," said Mr. Sullivan. "It seems that everyone either decided to cash in profits, and many had nice profits to cash, or decided to go short until signs of a turnaround."

The 8.75 percent 30-year bond fell 1-5/32 on Friday to close at 105-31/32. The yield ended at 8.21 percent after 8.11 percent on Thursday. *(Reuters, NYT)*

Bonn Aims To Remove Subsidies

Reuters

BERLIN — Finance Minister Theo Waigel wants to dismantle rent, energy and transport subsidies in former East Germany by the end of 1993, a newspaper reported Sunday.

Berliner Morgenpost said Mr. Waigel, struggling to cover the costs of unification, would unveil the three-stage proposal on Monday at reconvened talks to form a new coalition government following December's general election.

Although food prices have been freed in eastern Germany since unification, many other items such as heat and rent remain subsidized.

The paper said Mr. Waigel also wanted to reduce aid to states in western Germany and gradually dismantle the subsidies West Berlin enjoyed while it was an enclave city inside East Germany.

On Friday, reunited Berlin's mayor-designate, Eberhard Diepgen, warned that the city could become ungovernable if Bonn does not give more aid.

IMF Set to Finalize Loan for Manila

Reuters

MANILA — A team from the International Monetary Fund arrives in Manila Monday to finalize terms for a $700 million loan package that will help the Philippines ride out the Gulf crisis, a finance department official said.

An agreement with the IMF will clear the way for the Philippines to tap around $5 billion in loans and assistance that has been blocked until an accord with the IMF was reached, and cope with possible balance-of-payments difficulties, according to the National Economic and Development Authority.

The IMF will want to see details of how the Philippines will cut its public-deficit, which hit 50 billion pesos ($1.79 billion) in 1990, against an initial target of 32 billion pesos, officials said.

Finance Secretary Jesus Estanislao said on Friday that President Corazon C. Aquino had agreed to impose a 9.0 percent levy on imports, but a government spokesman said Sunday that she had so far not signed the order.

"We are still studying the drawbacks," he said.

The levy would raise 20 billion pesos a year. The Philippine Congress has been reluctant to raise new taxes.

Mr. Estanislao told a news conference last month that he had reached broad agreement during talks in Washington with the IMF in December on an economic policy package that would be implemented in return for the loan.

The Philippines is among several countries identified by the World Bank as being the worst affected by the Gulf crisis.

Mr. Estanislao has said that an accord would enable the Philippines to hold a second pledging session with major Western aid donors and Japan in Hong Kong on Feb. 24-26.

The Philippines will also discuss planned Japanese aid during a visit to Manila on Jan. 16 of Premier Toshiki Kaifu.

The assistance program was launched in 1989 to help underpin the Philippine economic recovery and safeguard democracy in the country. Major donors then pledged $3.5 billion.

At the second session, diplomats expect pledges of between $3.0 and $3.5 billion to help finance development projects.

Finance department officials said that if the accord is finalized this week, it will probably receive approval from the IMF board by mid-February.

Fed Candidate's Views Are Top Secret

By Steven Mufson
Washington Post Service

WASHINGTON — The best thing that a number of leading economists have to say about Lawrence B. Lindsey's views on monetary policy is that they do not know anything about them.

Nonetheless, the 36-year-old Mr. Lindsey, a champion of supply-side economics and a member of the White House staff, has emerged as the leading candidate for the vacant position on the Federal Reserve Board.

The post would be a plum for the former assistant professor at Harvard University, whose career has been distinguished more by his policy role in advocating tax cuts than by his work in academia.

In fact, his unorthodox background may be exactly what propels him to the seven-member board of the Fed. Administration sources say that Treasury Secretary Nicholas F. Brady, who initially favored a business executive, has opposed the nomination of more distinguished academic economists, while Mr. Lindsey's supply-side views have won him the support of John Sununu, the White House chief of staff.

Mr. Lindsey's prospects also might be enhanced by his support for deep cuts in the capital-gains tax rate, an issue near and dear to the heart of President George Bush.

[Asked whether Mr. Lindsey would be nominated for the position, President Bush said Friday he expects to fill the Fed vacancy soon but he declined to say whether Mr. Lindsey would be named, Reuters reported from Washington.]

> **Lindsey's view that inflation was broken by tax cuts, not monetary policy, 'will lead to many interesting discussions at board meetings.'**
> **Rob Shapiro of the Progressive Policy Institute.**

As a graduate student at Harvard in the late 1970s, Mr. Lindsey was a protégé of Martin Feldstein, who became chairman of President Reagan's Council of Economic Advisers in 1981 and took Mr. Lindsey to the council as a researcher.

Mr. Lindsey returned to Harvard and completed his dissertation in 1985. It argued that cutting income tax rates raises revenue and increases work incentives for Americans who earn more than $200,000 a year. Opinions of the paper vary widely: Although it won a prize from the National Tax Association, some leading academic economists have challenged its methodology.

While at Harvard, Mr. Lindsey also became acquainted with Roger Porter, now assistant to Mr. Bush for economic and domestic policy. Mr. Porter brought Mr. Lindsey to the Bush White House as his special assistant for economics. From that post, Mr. Lindsey disparaged last year's budget deal, which included tax increases to reduce the federal deficit.

Word of Mr. Lindsey's possible nomination has dismayed many economists who had hoped that Mr. Bush would name an expert on monetary policy during a critical time for the economy and the nation's banks.

Mr. Lindsey's recent book, "The Growth Experiment," has drawn critical reviews. In it, he attacks what he calls profligate politicians and asserts that the 1981 tax cuts "contributed only trivially to the booming deficits of the '80s." Instead, he says the tax cuts of 1981 were the "prime force" behind the economic expansion that began at the end of 1982, "simultaneously subduing inflation and reducing the burden of government on American businesses and families."

"He takes the view that the inflation of the early '80s was broken, not by tight monetary policy, but by tax cuts reducing costs of production," said Rob Shapiro, an economist at the Progressive Policy Institute, a think tank. "I'm sure that will lead to many interesting discussions at board meetings."

"He is an unreconstructed supply-sider," said Joseph J. Minarik, executive director of the congressional Joint Economic Committee. "He has a lot of interesting rhetoric in there, but when it gets down to the numbers and if you compare his models to what happened, he's way off."

Many economists say, however, that Mr. Lindsey may be a better economist than many other people who have been named to the board.

Hungary Devalues Forint by 15%

By Carol J. Williams
Los Angeles Times Service

BUDAPEST — The forint will be devalued by 15 percent against convertible currencies beginning Monday in an attempt to boost exports to Western markets, the National Bank of Hungary announced.

The adjustment will contribute to a galloping inflation rate that exceeded 30 percent last year and is expected to soar even higher in 1991 as Hungarians aim to transform their ravaged economy to a Western-style free market.

But the devaluation, announced Friday, will lower the price of Hungarian products sold abroad for hard currency, which the government hopes will stimulate trade and dollar revenue that could be used to ease the nation's $21 billion foreign debt.

"The devaluation also helps attract foreign investment and it should boost the tourist trade," Finance Minister Mihaly Kupa said.

Western diplomats said the action would inflict hardship on Hungarian consumers by immediately raising prices for all imported goods. But they said it demonstrated the government's commitment to reform and edged the forint closer to convertibility.

While the Hungarian forint remains officially unconvertible, for export and exchange purposes its value is pegged to a basket of Western currencies and has fluctuated only marginally since it was last devalued by 11 percent in December 1989.

The national bank gave no precise figure for the new exchange rate, but based on the current average of 61 forints per dollar, the new rate should be about 71 forints.

Hungary's action was prompted in part by recent devaluations of Czechoslovakia's koruna and the Yugoslav dinar. While all Eastern European nations are introducing market reforms, Hungary, Czechoslovakia and Yugoslavia have more advanced industries that are competing to sell to the West.

About half of Hungary's 1990 exports were sold for hard currencies.

A Jobless Surge Is Seen as Soviets Build a Market

Agence France-Presse

MOSCOW — Unemployment in the Soviet Union could reach 31 million to 38 million over the next few years as the country of nearly 290 million people introduces market economy reforms, two leading Soviet economists have reportedly estimated.

Slamming government estimates of a potential for only 10 million to 12 million unemployed, two professors from Moscow's Plekhanov Economic Institute said the country already had 5 million to 6 million unemployed, mostly in Central Asia and the Caucasus, the paper Sovietskaya Rossiya reported Saturday.

In addition, studies have shown that rationalization of industry would lead to the shedding of one worker in five or in seven before market reforms were even introduced, according to V. Kuzmin and V. Vidiapin.

This would bring unemployment to between 22 and 28 million.

In addition, each year some 4 million young people come onto the job market, and worsening interethnic conflicts had led to a dramatic increase in the number of refugees, without jobs.

Euromarts At a Glance

Eurobond Yields

	Jan. 2	Dec. 27
U.S. $, 8 yrs & over	8.97	9.08
U.S. $, 5 to 7 yrs	8.82	8.95
U.S. $, less than 5 yrs	8.21	8.36
Pounds sterling, less than 5 yrs	12.54	12.58
French francs, less than 5 yrs	10.52	10.43
Ital. lire, less than 5 yrs	12.85	12.83
Danish kroner, less than 5 yrs	10.73	10.57
ECU, 8 yrs & over	10.04	9.97
ECU, 5 to 7 yrs	10.04	9.97
Can. $, less than 5 yrs	11.53	11.69
Aus. $, less than 5 yrs	13.05	13.21
N.Z. $, less than 5 yrs	12.42	12.52
Yen, 5 to 7 yrs	7.60	7.74
Yen, less than 5 yrs	7.59	7.68

Source: Luxembourg Stock Exchange.

Weekly Sales

Jan. 3

Primary Market

	Cedel $	Cedel Nos.	Euroclear $	Euroclear Nos.
Straights	—	488.80	—	179.20
Convert.	—	—	—	—
FRNs	—	—	544.50	—
ECP	1,342.80	1,400.70	3,326.80	2,574.50
Total	1,342.80	2,889.50	3,871.30	2,753.70

Secondary Market

	Cedel $	Cedel Nos.	Euroclear $	Euroclear Nos.
Straights	8,255.40	10,122.70	4,371.90	4,770.00
Convert.	286.40	336.90	222.90	180.00
FRNs	1,045.50	531.20	4,314.70	1,782.20
ECP	2,794.30	1,581.30	1,561.40	1,491.80
Total	12,381.80	12,573.10	12,270.90	8,228.00

Source: Euroclear, Cedel.

Libor Rates

Jan. 4

	1-month	3-month	6-month
U.S. $	7 7/16	7 7/16	7 7/16
Deutsche mark	9	9⅛	9 9/16
Pound sterling	14 3/16	13 15/16	13½
French franc	10	10 5/16	10½
ECU	10¼	10½	10 9/16
Yen	8 3/16	8 3/16	7 13/16

Sources: Lloyds Bank, Reuters.

U.S. Treasury Bonds

Jan. 4

Maturity	Close Bid	Close Ask	Yield	Wk.-ago yield
31.12.92	100 4/32	100 6/32	7.18	7.23
15.11.93	101 1/32	101 3/32	7.34	7.45
31.12.94	100 7/32	100 9/32	7.56	7.66
15.02.96	100 26/32	100 28/32	7.67	7.77
15.10.97	104 6/32	104 8/32	7.93	8.06
15.08.00	103 6/32	103 8/32	8.02	8.13
15.02.10	109 30/32	110 2/32	8.21	8.31
15.08.20	105 30/32	106 1/32	8.21	8.30

Source: Salomon Inc.

U.S. Consumer Rates

Jan. 4

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	7.43 %
Money Market Funds	
Donoghue's 7-Day Average	7.38 %
Bank Money Market Accounts	
Bank Rate Monitor Index	5.74 %
Home Mortgage, FHLB average	9.56 %

Source: New York Times Service, UPI.

WALL STREET REVIEW

Figures as of close of trading Friday, January 4.

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
MfrHan	93784	22¼	20⅞	21¼	— ⅜
PhilMr	49517	51⅝	49	49⅝	—1½
Limited s	48314	19½	17⅝	18⅝	+1⅛
GenEl	48533	57⅝	54½	54⅝	—2⅝
SchrPl s	47357	46⅝	41	42½	—1⅜
BrMySq	47037	67⅞	62¼	63⅝	—3⅝
Citicorp	46178	13½	12½	13⅛	+ ⅜
PepsiC s	45899	26⅜	24¼	24⅝	— ⅜
WalMrt s	44364	30⅝	29½	29⅝	— ⅜
AT&T	43384	30¼	29⅝	30	
GTE s	41228	29⅛	28⅝	28⅝	— ¼
CocaCl s	40256	46⅝	43⅞	45⅛	—1½
GnMotr	40052	34⅝	33	33	—1½
Navistr	39241	2⅝	2	2⅝	+ ⅝
GaGulf	39044	10⅞	9½	10¼	+ ¼
IBM	38915	113⅝	111⅝	112⅜	—1¼
ToyRU s	37761	23⅝	21¼	23⅝	+1⅞
JohnJn	36207	72⅛	68⅜	69⅝	—2⅛
FedNM	36108	35⅝	34⅛	34⅛	— ⅜
AmExp	35942	21	20¼	20⅝	
Exxon	34728	51⅞	50⅝	51½	— ⅛
AbtLab s	34507	45	40¼	40⅝	—3½
OcciPet	34038	19⅛	18	18⅝	— ⅛
Pitseld n	32554	19⅛	16⅝	18⅝	
Merck	30122	87⅝	84⅝	85¼	—3⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
EchoBy	12872	9⅛	8⅝	9⅛	+ ⅛
ENSCO	11163	2⅝	2⅛	2⅛	— ⅛
viCatAr	10101	2⅛	1⅝	2	+ ⅛
FruitL	9828	9	8⅝	8⅝	+ ⅛
DowC rt	9422	5⅞	5⅜	5⅜	
WangB	9146	2⅝	2	2⅝	+ ⅛
ChrySft	8649	8⅝	7⅝	8⅝	
Diasonc	7678	2⅝	2⅛	2½	
NY Tim	7062	22⅝	20⅞	22⅝	+1⅝
WDigitl	6676	5⅛	4½	4⅝	+ ¼
Wthfrd	6259	7⅛	5½	5⅝	—1½
Amdhl	5903	14⅛	13⅝	13⅝	— ⅜
MagmC	5429	4⅝	4⅛	4⅝	
A-cit2 sc	5354	5⅛	4⅝	4½	+ ⅛
Alza	5175	50⅝	47	47⅝	— ⅜
Hasbro	5049	15⅝	15⅛	15½	
ICH	4538	3⅛	2⅞	3	— ⅛
ElsNk wt	4482	9⅝	9	9¼	— ⅛
SNk 93wt	4184	18¼	17⅛	17⅝	— ⅛
BolrPh	4043	2⅝	2⅛	2⅝	+ ½
Lndmk	3988	8⅝	4½	5	—2⅝
PegGld	3877	13	12⅝	12⅝	— ⅜
BAT In	3835	11⅝	10⅞	11⅝	+ ⅜
JonBell	3777	7½	6⅝	7¼	+ ⅝
Intrmk	3544	2	1⅝	1⅝	

NYSE Sales

	Sales Vol.
Total for week	526,680,080
Week ago	349,570,080
Year ago	689,930,008
Two years ago	613,570,088
Jan 1 to date	526,680,008
1990 to date	689,930,088
1989 to date	613,570,000

AMEX Sales

	Sales Vol.
Total for week	40,080,000
Week ago	34,268,000
Year ago	53,640,000
Jan 1 to date	40,080,000
1990 to date	53,640,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1018	783
Declined	872	1084
Unchanged	289	344
Total Issues	2179	2133
New Highs	53	34
New Lows	112	111

AMEX Diaries

	This Wk	Last Wk
Advanced	442	387
Declined	313	454
Unchanged	240	234
Total Issues	995	995
New Highs	25	11
New Lows	66	91

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, January 4.

(Continued)

	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
VanFed			108	16½	15¾	16	+ ¾
VardCl s			4283	24½	21	22¼	[illegible]
VREF I	.89e	9.9	292	7¼	6¾	7	+ ¼
VREF II	.36e	5.8	56	6⅝	6¼	6¼	—1
VarlCre	.24	1.5	42	[illegible]	[illegible]	[illegible]	
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vertical? [illegible]	.48	4.8	785	13¼	12	12½	+1
[illegible]			282	6	5⅝	6	[illegible]
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VA Fin	.40	10.0	455	7⅛	[illegible]	4	—1
[illegible]	.24	2.4	197	10½	9⅝	10	
VertexC			2243	8½	4⅝	5	[illegible]
Vestar			192	3⅝	3	3⅛	[illegible]
Vicor			390	18	16⅝	17	+ ⅛
Vicorp			2983	14¼	14⅛	14⅛	+ ¼
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VictCr			[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]			645	5	4⅝	5	+ ⅝
[illegible]			841	2⅝	2⅛	2⅝	[illegible]
[illegible]			143	3⅝	3⅛	3⅝	[illegible]
[illegible]			797	[illegible]	[illegible]	[illegible]	+
[illegible]			1	2½	2½	2½	[illegible]
Viking			121	11⅝	11	11	[illegible]
[illegible]			575	6⅝	5⅝	6	[illegible]
[illegible]	.15	1.9	4	9	8	8	
Virtalk			105	2⅜	1⅝	2⅛	+ ⅛
[illegible]	.16	8.5	229	2⅛	1⅞	1⅞	— ⅛
[illegible]			475	[illegible]	½	½	
[illegible]			1405	15	14½	14½	
[illegible]			2466	9⅝	8⅝	8⅝	— ⅛
[illegible]			446	12½	11½	12¼	— ⅜
[illegible]			26	7	6⅝	7	
Volvo	2.14e	5.9	139	37¼	36⅛	36⅛	— ¼
W							
WD 40	1.72a	7.1	440	26⅛	24⅛	24⅛	—1⅝
WLR Fd	.32	2.1	346	15⅛	14½	15	
WPP Gp	1.17e	27.0	3884	3	2⅝	3	+ ½
WSMP			75	3½	3⅛	3⅛	+ ⅛
WTD			626	1⅝	⅞	1⅛	+ ⅛
[illegible]			245	4	3⅛	3⅝	+ ¼
[illegible]	.40	4.4	128	9⅝	8⅝	8⅝	
[illegible]	.48	14.8	188	4	3⅛	3⅛	— ½
[illegible]			31	1⅛	⅞	1⅛	
[illegible]			949	2⅝	2⅛	2⅝	— ½
Warren			885	1	⅞	1	+ ¼
[illegible]			242	2⅝	2⅛	2⅝	+ ¼
[illegible]	1.36	7.2	3142	20½	18⅛	19	—1⅛
WFSL s	1.04	4.2	1106	25⅛	24½	25	— ½
[illegible]	.58	3.2	63	18⅝	[illegible]	[illegible]	[illegible]
[illegible]			111	1	[illegible]	[illegible]	[illegible]
[illegible]	.44	3.4	2943	13⅝	11⅝	12⅝	+ ⅝
[illegible]	1.75	10.7	171	35⅛	33⅛	35	— ⅛
[illegible]	.28	3.7	205	8	7⅛	7½	+ ⅜
[illegible]	.12a	1.7	176	7⅝	7	7⅛	+ ⅛
[illegible]	.15a	3.8	58	4	3⅞	4	
[illegible]	.12a	5.3	95	2⅝	2⅛	2⅝	
[illegible]	.21	.6	343	37½	35	36	—1
[illegible]	.71	1.9	285	41½	37	40½	— ½
[illegible]	.40	2.2	82	18⅛	17⅝	17⅞	+ ⅝
[illegible]			360	2⅝	1⅝	2⅛	+ ¼

	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
WestFn	.52	10.1	86	5½	5⅛	5⅛	— ⅛
Wegener			321	⅜	⅞	⅜	+ ⅛
WeldTr	.40	3.5	89	12⅝	11	11½	— ½
Wellek			1585	8	7	7	— ⅜
Wellgtn	.20	4.0	12	5½	4⅝	5	— ½
Werner	.12	.7	7096	17½	16⅛	16½	— ⅜
Wesbnc	1.36	4.4	164	29½	27	29½	+3
WstCst			394	1½	1⅛	1½	+ ⅜
WtMass	.28	5.3	20	6⅛	5⅝	5⅝	
WNewtn	.16	5.3	102	3½	3	3	— ½
WstOne	.88	3.7	1411	24	23½	23⅝	
Wstcot			125	4⅝	4½	4⅝	+ ¼
WstCop			1031	2¼	1⅝	2	
WnFncl			48	1	⅞	⅞	
WFSPR	.80a	6.0	11	13¼	13⅛	13¼	— ¼
WmWst s			478	18⅝	18½	18½	
WMicTc			88	2⅞	2½	2½	— ⅛
WstnPb			1887	10⅝	9⅝	10½	+ ½
Wstmrk			1614	26	22⅝	23⅝	—1⅝
WmorC	.32a	1.6	389	21	20	20½	+ ½
Weston			3324	6⅛	5⅛	5⅛	— ⅝
WstpBc			102	4⅝	3½	4⅝	+ ⅝
WstwOn			1486	2	1⅝	1⅞	+ ⅛
Wstwo wt			146	⅛	⅛	⅛	+ ⅛
WetSeal			2735	7⅝	7¼	7⅝	+ ⅛
Wetra	.64	2.2	2026	30	28⅝	28⅝	— ⅛
WehrPr	.48e	4.3	18	14½	13½	14½	+1
Weyco s	.60	2.2	15	28½	27	27	
Wharf			39	5⅛	4⅝	5⅛	+ ½
Wlclub			1113	20⅝	28½	28⅝	+ ⅛
Wicat			2047	3⅝	3⅛	3⅝	— ⅛
Wiland			99	2⅛	2⅝	2⅝	
Wily1 A	1.10	3.8	120	30½	28⅝	29	— ½
Willamt	1.40a	3.8	1708	43⅝	40⅝	40⅝	—1⅝
WSHW	.68	4.7	4	14½	14½	14½	—1
Wilbrd			302	4⅝	4⅛	4⅛	+ ⅛
WmSon s			798	20⅝	17⅝	17⅝	— ⅝
WilmTr	1.44	3.7	1045	40	38⅝	38⅝	—1¼
WiserO	.40a	2.6	538	15⅝	14⅝	15⅛	+ ⅛
WolfFn			613	5⅝	5	5	— ⅛
Wolohn	.28b	2.2	382	13½	13	13	— ¼

	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
WrvExp			13675	3⅝	3⅛	3½	— ⅛
WrvEx pf	2.25	20.0	466	11½	10½	11⅛	+ ⅛
Wolv wt			732	2	1⅝	1⅝	— ⅜
Woodhd	.68	4.8	142	15	14	14⅝	
Wordst			1012	1⅛	⅞	⅞	— ⅛
WrkCap	.17e	1.6	22	10⅝	9⅝	10⅝	
Wiznex			197	⅝	⅜	⅝	— ½
Worthg	.48	2.3	3377	22⅝	20⅝	20⅝	—1½
Wyman	.30	12.2	2476	6⅝	6	6⅛	
WymnNt			26	19⅝	18⅝	18⅝	+ ⅛
X							
XL Dis			1739	7½	6⅛	6⅝	+ ⅜
XOMA			8497	21	18⅝	19	—1⅝
XeRite	.12	1.1	284	11⅝	11	11⅛	
Xicor			2874	1⅞	1⅛	1⅞	+ ⅞
Xilinx			1151	13⅝	13⅛	13⅝	— ⅛
Xplor	.15e	2.1	1936	7⅝	7⅛	7⅛	
Xylogic			236	3⅝	2⅝	2⅝	
Xyvsn			1189	⅞	⅝	⅝	+
Y							
YanEnS	1.52	7.2	307	21¼	20⅛	21	+ ⅛
YelowF	.94	3.4	11395	27½	26⅛	27½	+1⅛
YesClth			534	4⅛	3⅝	3⅝	— ⅛
YorkFn	.60b	7.0	42	10¼	9¼	9¼	
YorkRs			2473	10⅝	8⅝	10¼	+1½
Z							
Z Seven	.40e	3.9	109	12¼	11½	12½	+ ⅜
Zeon			2878	18	14½	16⅝	+2⅛
Zeus			341	1⅞	1⅝	1⅞	+ ⅛
Ziegler	.52e	5.0	3	12⅝	10½	10½	
ZionBc	1.44	4.7	222	33⅛	30¼	30½	— ½
Zitel			50	4⅝	3⅝	4	+ ⅛
Zycad			3117	⅝	⅝	⅝	— ⅛

Economists Urge Radical Soviet Reform

By Steven Greenhouse
New York Times Service

PARIS — In a report submitted to President Mikhail S. Gorbachev, a panel of prominent Western economists has said the Soviet government must free prices, slash its budget deficit and take several other radical steps in the next few months if it hopes to avert economic collapse.

The confidential report, requested by Stanislav S. Shatalin, a leading economist and a main author of the 500-day economic plan to move quickly toward capitalism that was rejected by the Soviet parliament, says Moscow's half-hearted reforms will not stop the nation's economic crisis.

"The solution lies in abandoning the search for halfway houses, in abandoning the dream of a regulated market economy," the report said. "It is crucial to move quickly to an effective market system."

A person who worked on the report made it available because he wanted the recommendations made public at this time of Soviet crisis. Efforts to have the report published in the Soviet Union have thus far been unsuccessful.

Merton J. Peck, a Yale University professor who headed the panel, said he doubted the recommendations would be adopted but added that as the Soviet economic crisis deepened, the government would be more open to radical solutions.

"The chance of sharp economic moves appears to be more likely than six months ago simply because of the depth of the crisis," said Mr. Peck, a former member of the President's Council of Economic Advisers.

Other panel members included Barry Bosworth, a Brookings Institution economist; Richard Cooper, a Harvard University professor and former undersecretary of state for economic affairs; Alfred Kahn, a Cornell University professor and former presidential adviser; and William Nordhaus, a Yale University professor and former member of the Council of Economic Advisers.

The report, given to Mr. Gorbachev in December, calls for five coordinated reforms: liberalizing prices, giving enterprises independence, stabilizing government spending and restricting credit, making the ruble convertible to open the economy to foreign competition and providing a safety net for the unemployed.

"If adopted together, the five can be successful," the report said. "If adopted singly or over time, they are doomed to failure."

The report's recommendations on liberalizing prices, cutting the deficit and opening the economy paralleled those made in a December report by the International Monetary Fund, the World Bank, the Organization for Economic Cooperation and Development and the European Bank for Reconstruction and Development.

The panel said removing price controls was essential to give enterprises incentives to produce more and to put more products on the shelves by creating a balance between supply and demand.

The report also said liberalizing prices was key to reducing the budget deficit, which is ballooning because the government has to increase consumer subsidies after liberalizing most wholesale prices while keeping a lid on 80 percent of retail prices.

The panel said removing price controls could cause prices to jump by 50 percent to 150 percent. It added that unless the budget deficit and credit were brought under control, liberalizing prices could cause worse inflation.

"The first priority is to reduce the budget deficit," which is expected to be more than 10 percent of the gross national product, the report said. "If the budget is not controlled, incomes will continue to rise, and an uncontrolled price-wage-price spiral may begin."

To help the poor and pension recipients, the report suggests rationing some basic commodities at low prices, including milk, bread and cheap meat.

The report also stressed the need to make the ruble convertible.

Peter Aven, a Soviet economist who helped coordinate the report, said Mr. Shatalin, and Nikolai Petrakov, an economic adviser to Mr. Gorbachev, had read the report and "their reaction was very positive." Panel members said they did not know Mr. Gorbachev's reaction.

SILVER: *Shine Returns to Metal*

(Continued from first finance page)

jewelers' cases, but in rolls of film.

Photography accounts for more than half of U.S. consumption, up from a third in the late 1970s. Americans take about 5 percent more pictures each year and doctors take more X-rays, accounting for about a third of all photographic silver use.

Silver demand in the dining room has seriously lagged that in the examining room.

Consumption of silver tableware in the United States fell from a peak of 44 million ounces in 1973 to an estimated 4 million ounces in 1990.

"Americans moved to a more informal lifestyle and silverware was seen as something from one's parents' generation," Mr. Christian said. "And when the price rose in the 1980s, that was another nail in the coffin."

Of the leading American silvermakers, two have halted silverware production and the others have cut back sharply.

But some producers say Americans are again beginning to buy silverware worthy of the name.

One obvious source of stimulation: a four-piece place setting, which cost an average $400 in the early 1980's, goes for just $140 to $185 today.

Although overall silver demand has diminished during the last 20 years, the metal has found new uses as its cost has declined.

In 1986, Ford Motor Co. introduced an optional windshield for its Taurus that had a molecular layer of silver laminated between the layers of glass.

Heating the silver layer cleared the windshield of frost and ice within two minutes. Now many American models and some of the Japanese offer the silver-lined windshields as standard equipment.

Clothing Industry Suffering in U.S.

By Eben Shapiro
New York Times Service

NEW YORK — The rag trade is looking a bit frayed. Already battered by competition from low-cost imports, hundreds more American clothing makers were driven out of business last year by the weak economy and poor retail sales.

Nationwide, the industry lost 50,000 jobs in the last 12 months, according to the American Apparel Manufacturers Association. As Wall Street took note of the industry's troubles, the stocks of many well-known companies, including the Hartmarx Corp., Gitano Group Inc., Farah Inc., Russ Togs Inc., and V.F. Corp., fell sharply in 1990.

People who closely follow the making and selling of clothes say that 1991 will probably be no better.

In fact, apparel executives predict that the problems that clothing stores are having selling their dresses and suits will increasingly hurt the apparel business. As more retailers go out of business, they will leave garment makers with stacks of uncollectible bills. As a result, experts predict that a fresh wave of consolidation will take place in an industry already shrunk because of imports.

"In the next several years, you will see the larger, well-financed apparel makers acquiring their weaker brethren," said Gerald G. Johnson, the chief financial officer of the V.F. Corp., which makes Lee and Wrangler jeans.

New York City, the center of the U.S. garment business, has suffered from the continued erosion of that once-thriving industry. Although apparel remains the single most important manufacturing industry in the city, the number of apparel jobs has declined steadily.

There are about 108,000 apparel-related jobs in New York City, nearly 6,000 fewer than last year, and 45,000 fewer than in 1980. Those figures include piece workers, as well as executives and secretaries, according to the New York State Department of Labor.

This is a critical time for clothing makers, who are beginning to take orders for the important fall season. The big department stores, like J.C. Penney Co., Carter Hawley Hale Stores Inc., and Sears, Roebuck & Co., are coming off a disappointing Christmas season.

Also, retailers with heavy debt loads make poor credit risks for apparel makers, who traditionally ship merchandise on credit. Many retailers are expected to fail within the next six months.

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

The Amsterdam share market was little changed in jittery trading during a holiday-shortened week. The CBS all-share index closed at 168.40 points Friday, compared with 168.30 the previous week.

Total turnover was 2.3 billion guilders, of which 1.2 billion was in equities. Volume the previous week was 1.3 billion guilders, with 7 million in equities.

Dealers said that the local market was increasingly showing nervousness as the Jan. 15 deadline for Iraqi troops to withdraw from Kuwait drew near.

Even the smallest rumors triggered a lot of activity and sharp movements in share prices, they said.

Frankfurt

The Gulf crisis and possibility of war virtually paralyzed the Frankfurt stock market during the first week of the New Year. During the three-day week, share prices fluctuated within a narrow margin on low volume.

The DAX spot trend indicator closed at 1,396.07 points on Friday, a loss of 2.16 points or 0.15 percent.

Share prices rose unexpectedly on Friday. Analysts attributed the gain to diplomatic head way toward resolving the Gulf crisis.

Volume on the eight German stock exchanges remained low at 8.40 billion Deutsche marks but higher than the 4.82 billion DM the previous week.

On the bond market, the average yield on government issues was 9.07 percent on Friday compared with 9.09 percent at the end of the previous week.

Hong Kong

Share prices lost ground in dull trading on the Hong Kong Stock Exchange.

The Hang Seng Index closed at 3,046.61 points on Friday, a loss of 7.12 points or 0.2 percent from the previous Friday.

Average daily turnover was 313 million Hong Kong dollars, down from the previous week's 317 million dollars.

The bourse was closed Tuesday for New Year's Day.

London

The London Stock Exchange opened the New Year on a gloomy note amid fears of a conflict in the Gulf and little prospects of an interest rate cut at home.

The Financial Times index of 100 leading shares closed at 2,126.10 on Friday, a loss of 34.80 points from the previous Friday.

Volume was low, with many investors on holiday and the market shut for a day and a half. Analysts said traders were also adopting a wait-and-see attitude ahead of the Jan. 15 deadline in the Gulf.

Remarks by Chancellor of the Exchequer Norman Lamont that appear to rule out an imminent interest rate cut dampened sentiment, analysts said.

A dismal Christmas for retailers contributed to falls in share prices across the sector. Boots, Britain's leading chain of drug stores, the Storehouse group, Burtons and Sears all lost on the week.

Milan

Share prices fluctuated within very narrow margins on the Milan stock exchange.

The COMIT index closed at 521.34 points on Friday, a gain of 0.37 percent.

An average 27 million shares, worth 59 billion lire, changed hands last week compared with 27 million shares, worth 65 billion lire, the previous week.

Blue chips showed little movement with Fiat, Generali, Montedison, Comit, Mediobanca, RAS and Toro finishing virtually unchanged.

The market picked up on Friday amid hopes for a peaceful resolution of the Gulf crisis and renewed stability in oil prices.

Paris

The Bourse shook off fears of a Gulf war and the impact of a recession in the United States to open the New Year on a positive note.

The CAC-40 stock price index closed at 1,547.66 points on Friday, a gain of 29.73 points, or nearly 2 percent on the week.

Volume remained low during the three-day trading week.

The market remained focused on the Gulf crisis, traders said. They said that the Bourse shrugged off a string of depressing U.S. economic indicators to post good gains.

Singapore

The Singapore stock market began the New Year on a nervous note but posted gains late in the week on hopes for a peaceful solution to the Gulf crisis.

The Straits Times industrial index gained 26.09 points during the three-day trading week to close at 1,180.57. The Stock Exchange of Singapore all-share index put on 2.5 points to 325.78.

Total turnover was 69.1 million shares worth 140.3 million Singapore dollars, compared with the previous week's 59.5 million units worth 113.2 million dollars.

Tokyo

The Tokyo Stock Exchange posted good gains during a week that was cut to one trading day because of the New Year's holiday.

On Friday, the only day the market was open, the Nikkei Stock Average gained 220.47 yen or 0.9 percent to 24,069.18 yen.

Turnover was 153.9 million shares, down from 192.7 million on the previous trading day, Dec. 28.

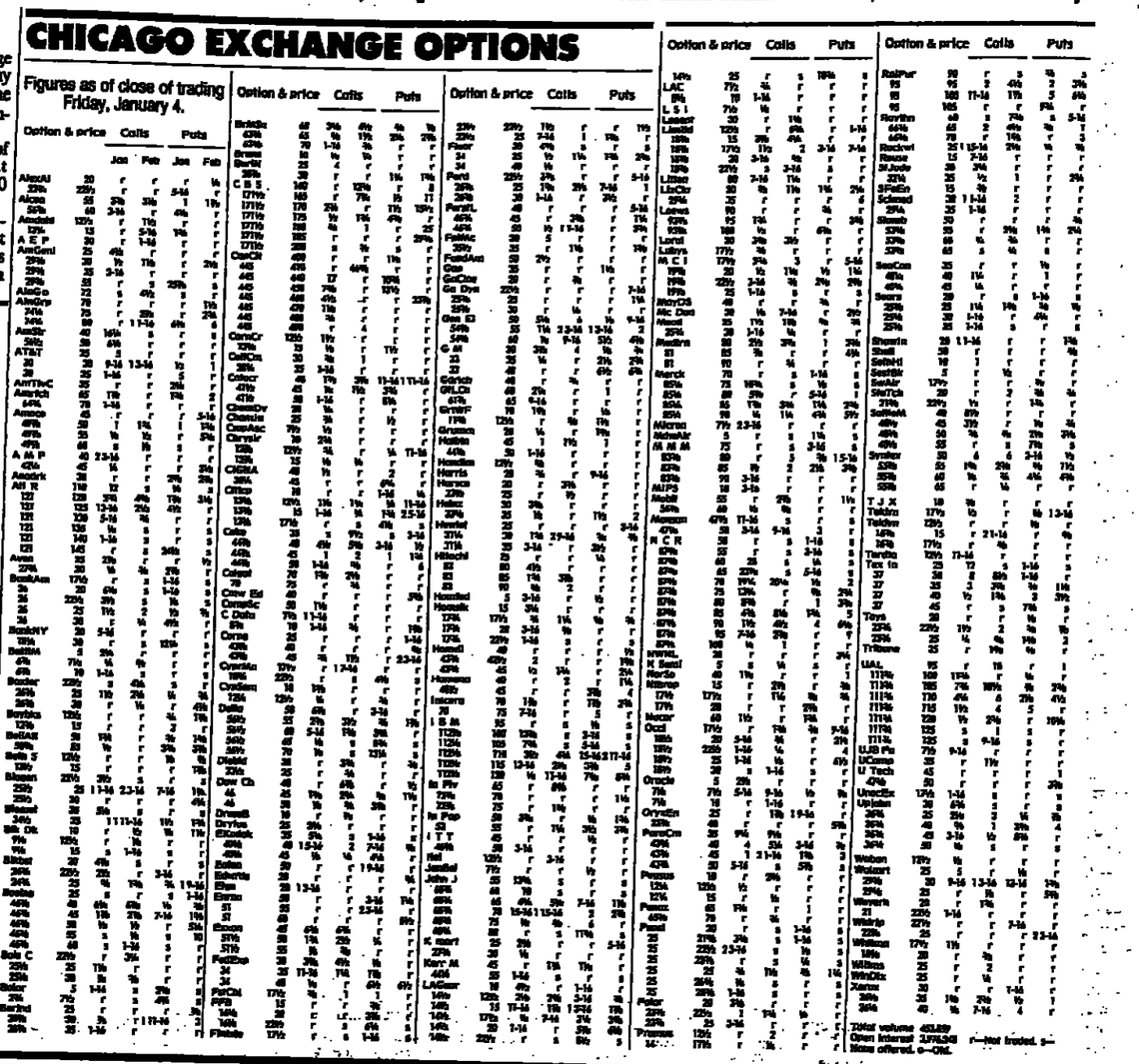
Zurich

The Zurich stock market looked toward the Gulf for direction during a trading week cut to just two days because of the New Year's holiday.

The Swiss Performance Index lost 14.09 points, or nearly 2 percent, to close at 894.10 on Friday.

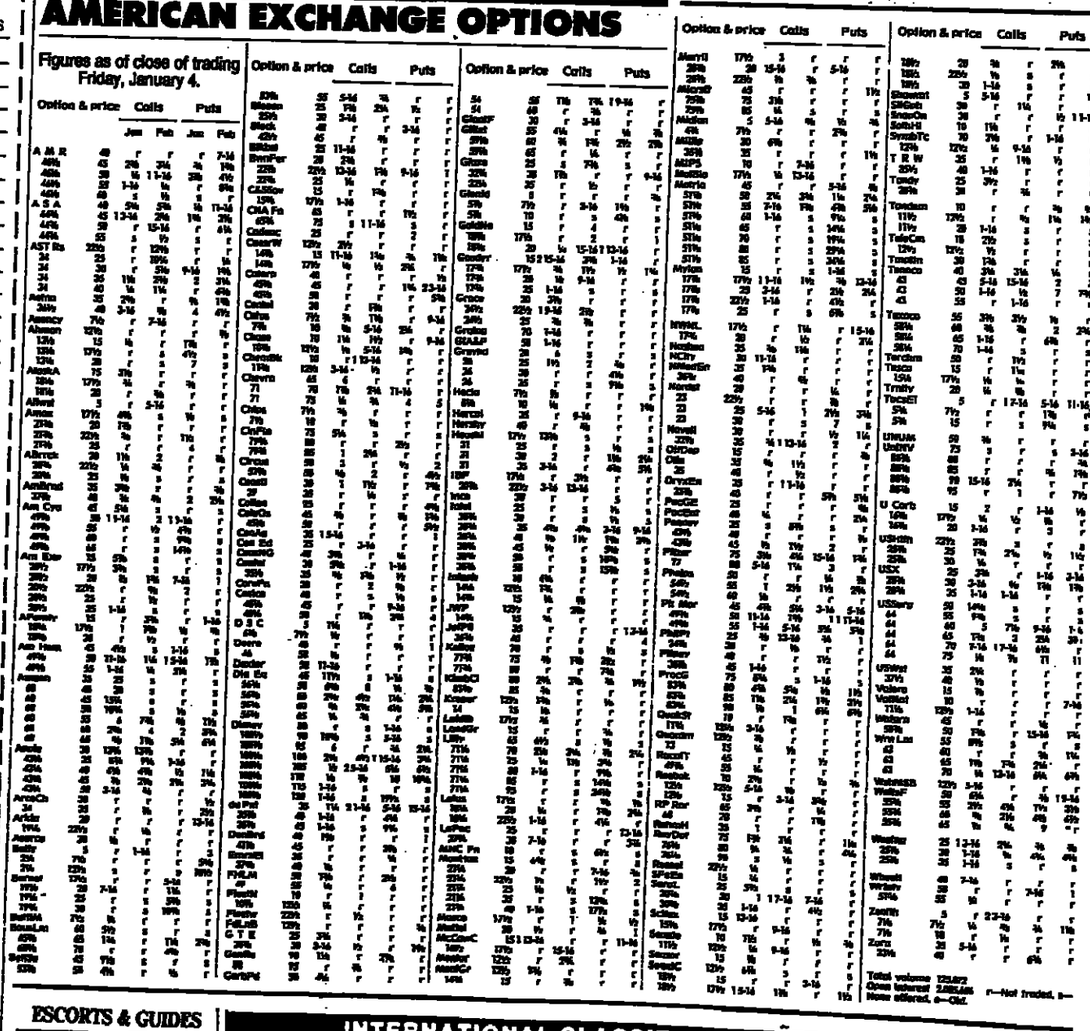
CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, January 4.



AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, January 4.

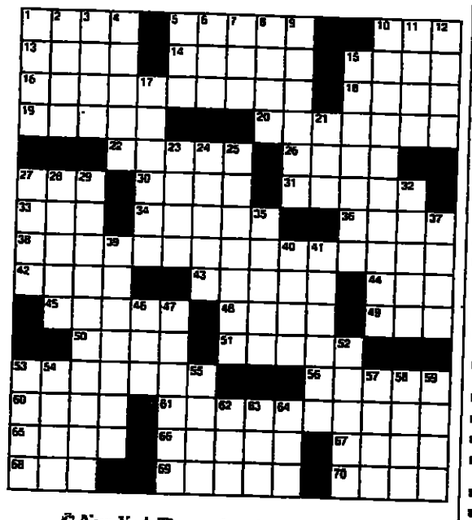


ACROSS

1 Handle roughly
5 Argentine politico
10 Haggard novel
13 Prefix with bus
14 Stood up
15 Oscillate
16 Salad ingredient
18 Stack
19 Glistened
20 Bears witness
22 Family car
26 Killer whales
27 Pismire
30 Attractive
31 Germany's Third — —
33 Emulate Willie Sutton
34 Succors
36 Jezebel's husband
38 Popular dessert
42 Put an edge on
43 Billow
44 Road-map abbr
45 — — one's way (goes)
48 Come close to
49 "The butler — — it"
50 Dumbfound
51 Writer Gardner et al.
53 Quiet place
56 Oahu greeting
60 Bailiwick
61 Breakfast item
65 Small container for liquids
66 Use a prie-dieu
67 Arduous journey
68 Printer's need
69 Three score
70 Boobs

DOWN

1 Does lawn work
2 Asian nurse maid
3 Biblical preposition
4 Legal claims
5 Soft shoe
6 Misjudge
7 Caviar
8 Greek peak
9 Wise old man
10 Variety of beet
11 Drill sergeant's order
12 Potato buds
15 Kind of delivery
17 Reverberate again
21 Due follower
23 Fencer's bout
24 Reference book
25 Roman god of the sea
27 Duke or bishop preceder
28 Not at all
29 Meat dish
32 West Indian nation
35 More arid
37 Raised
39 Part of C.S.T.
40 Equal, in Dijon
41 See 61 Across
46 Payable on demand
47 Light meals
52 Thin wood strips
53 Sitarist Shankar
54 Hibernia
55 Singer Tennille
57 Gumbo ingredient
58 Dickens's Uriah —
59 Invites
62 Harrison or Stout
63 Seine
64 Fishing lure



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Solution to Friday's Puzzle

S	A	I			C	A	K	E		T	S	A	R
E	L	S	A		H	O	G	A	N		H	A	L	O
R	E	N	T		A	N	E	N	T		E	M	I	T
E	X	T	E	R	N	E	S		H	I	S		I	C
			L	A	D	Y		S	U	M	O			
R	E	T	A	I	L		D	I	S	P	U	T	E	S
A	L	E		D	E	C	O	D	E		T	I	N	
M	I	N	E	S		H	E	L		S	H	E	A	N
	D	A	S		B	E	R	E	F	T		U	T	E
T	E	M	P	T	E	R	S		R	I	P	P	E	D
		R	I	S	E		S	Y	N	E				
J	A		E	S	E		S	P	I	T	T	O	O	N
U	S	E	S		E	A	T	E	N		E	D	D	A
M	I	L	S		C	L	I	N	G		R	E	O	S
P	A	S	O		H	A	R	D			A	M	A	



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France	F.F	1,800	1,494	880
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– *hand delivery	D.M.	810	282	416
Great Britain	£	150	123	82
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– hand delivery Athens	Dr.	50,000	22,800	28,000
Ireland	Ir£	155	173	85
Italy	Lire	450,000	350,800	250,000
Luxembourg	L.Fr	11,000	9,020	6,000
Netherlands	Fl	600	593	340
Norway (airmail)	N.Kr	2,500	1,868	1,400
– **hand delivery	N.Kr	3,000	1,368	1,650
Portugal	Esc.	31,000	34,520	17,000
Spain (mail)	Ptas.	35,000	28,700	19,200
– ***hand deliv. Barcelona, Bilbao, Seville, Valencia	Ptas.	38,000	25,700	20,900
– ***hand deliv. Madrid	Ptas.	54,600	–	27,300
Sweden (airmail)	S.Kr	2,200	1,804	1,210
– **hand delivery	S.Kr	2,800	1,204	1,540
Switzerland	S.Fr.	500	519	275
Rest of Europe, N.Africa, form. French Africa, Mideast	$	500	Varies by country	275
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1990 Consolidated Trading on U.S. Stock Markets

Severity of U.S. Recession is the Key To Length of Bear Market for Stocks

By Floyd Norris
New York Times Service

NEW YORK — As bear markets go, this one so far has been much more alarming to the brokers than to the investors. But if the current recession ends up lasting longer, and going deeper, than is currently expected, that relatively happy outcome could change.

To be sure, 1990 was no fun for anyone involved in the stock market, with the possible exception of the short-sellers, who seek to profit from lower prices. For the first time since 1981, the Standard & Poor's 500 showed a loss for a year, falling 6.6 percent before dividends.

In 1991, the most important issue for investors may be just how much impact the Federal Reserve's easing of interest rates has on the economy.

If it helps to shorten the recession by getting businesses and consumers to step up spending, then the rebound that began last October may be not just a bear-market rally but the beginning of a bull market. But if the pressures of debt, and the banks' new-found fear of bad loans, keep a lid on economic activity, then this bear market could have a way to go.

The carnage last year was worse for the brokerage industry than for investors. On Wall Street, the leveraged escapades of the 1980s left one big firm bankrupt and several others dependent on rich parents for capital infusions. With trading volume down and institutional commissions measured in pennies a share, few equity desks on Wall Street are making money. There are rumors of many more pink slips in this new year.

Wall Street's problems are more accurately reflected in the performance of the vast majority of stocks, whose owners can only look at the narrower gauge of the S&P performance with jealousy. The Nasdaq composite, which measures stocks traded over the counter, fell 17.8 percent in 1990, its worst showing since it plunged 35.1 percent in 1974.

The dismal performance seems not to have overly concerned a lot of investors. It has become commonplace to note that many institutions are invested a lot more bullishly than their managers talk, and individual investors poured money into stock mutual funds for almost the entire year, although there were reports of a slowdown in the final weeks of December. In the aftermath of the 1987 collapse, many investors concluded that the collapse created great investment opportunities, and that bottom-fishing mentality has remained alive.

Only a year ago, the conventional wisdom on Wall Street was that the economy was slowing, but a recession would be avoided. Now the general expectation is that there is a recession that began sometime this summer or fall, but that it will be relatively mild.

"I think investors now are taking a complacent view," said Abby Joseph Cohen, who began 1990 as chief investment strategist at now-bankrupt Drexel Burnham Lambert Inc. and ended it with the title of co-chair of the investment policy committee at Goldman, Sachs & Co.

"They think the recession will be short and sweet, but we don't know how much damage it will do to corporate profits."

Historically, stocks have performed poorly early in a recession, but have tended to rise in the last half of the downturn, as the market anticipates the recovery. Optimists have hoped that the rebound that began after most stocks bottomed in October might be evidence that the economic downturn will be a mild one, but Mrs. Cohen is among the analysts who think that the huge debt burden confronting corporate America may serve to extend this downturn.

Those who are pessimistic recall the 1973-74 recession, where large stocks also outperformed the market as a whole in the early going. In 1973, the S&P 500 fell by 17.4 percent, while the Nasdaq composite was off 31.1 percent. The next year, the S&P dropped 29.7 percent, while the Nasdaq index plunged 35 percent.

In 1990, big was best in stocks, and small was worst. Financial stocks were out of favor, and makers of consumer staples — toothpaste and soft drinks and the like — were the Wall Street darlings for their profits that kept rising despite economic problems. But the late rally tended to lift such depressed industries as banks and homebuilders more than other shares, though not nearly enough to allow them to break even for the year.

Among the major gauges, the Dow Jones industrial average, composed of only 30 large stocks, was the best performer for 1990. In July, long after indexes of smaller stocks had peaked, the Dow average topped 3,000 in several sessions, but never was able to close that high, hitting 2,999.75 on two occasions. But it started down even before Iraq invaded Kuwait on Aug. 2, stirring war fears and driving up oil prices.

The Dow ended the year at 2,633.66. That represented a fall of just 4.3 percent before dividends, and less than one percentage point if those payouts are included. The Dow gets the most publicity, and its action may help to explain the relative lack of investor reaction.

Of the 20 largest companies in market capitalization at the end of 1989, 11 saw their share prices rise in 1990, and a capitalization-weighted index of the 20 was up 2.9 percent.

By contrast, the Russell 2,000 measures the performance of the companies that rank from 1,001 to 3,000 in market capitalization. That index fell 21.5 percent in 1990.

For fans of small stocks, the recent past has been a dreary history of underperformance, beginning in the summer of 1983, when seven years of outperformance by the small stocks came to an abrupt end. The Nasdaq industrial index is down 0.6 percent from where it stood on June 24, 1983. By contrast, the Dow industrials are up 112.1 percent over that period.

But in the last couple of months of 1990, the losers early in the year started to do better. Some of the hardest-hit areas of the market rallied, among them the banks and the homebuilders. And the Russell 2,000 gained 11.2 percent in the final two months, while the S&P 500 added just 8.6 percent.

The average New York City bank stock fell 39.5 percent in 1990, but it was up 21.1 percent over the final two months. Regional banks, which had not fallen as far, also did not bounce as high. The Nasdaq bank index, down 34.8 percent for the year, gained 7.7 percent in the final two months.

As 1990 began, the general expectation was for lower interest rates, but rates confounded those expectations and rose early in the year. Rates came down in late 1990 as the Federal Reserve tried to contain recessionary pressures, but long-term rates nonetheless were up for the year. The rate on 30-year Treasury bonds, at 7.97 percent a year ago, now is 8.29 percent. But the rate on three-month Treasury bills dropped from 7.60 percent to 6.44 percent.

The rise in long-term interest rates may help to explain the relatively poor performance of utility stocks. The Dow utility average was down 10.8 percent for the year, despite the reputation of the stocks as the kind to own in downturns.

Charles Clough, the chief investment strategist at Merrill Lynch, argues that utilities now represent the best values in the market, simply because their dividends appear to be safe at a time when the pressures of debt and recession are likely to make many other companies cut payouts.

"Income may be the thing that is in short supply in the 1990s," he said, forecasting that interest rates will decline sharply.

As it is, 1990 was one of the worst years for dividend payouts in recent years, although final figures are not in.

Companies Raise a Record But Pay Little to Brokers

New York Times Service

NEW YORK — American corporations sought a record amount of cash from the public markets in 1990, but the volume of business did little to improve the financial condition of Wall Street.

The collapse of the high-yield "junk bond" market and problems throughout the capital markets steepened a decline in fees paid to investment banks to their lowest levels since 1984.

For the year, corporations issued a record $315.9 billion in domestic securities, up 2.2 percent from the previous record of $309.1 billion in 1989, according to IDD Information Services.

The biggest underwriter for the third straight year was Merrill Lynch & Co. Last year, Merrill underwrote $55.75 billion, taking 17.6 percent of the market, according to IDD. Goldman, Sachs & Co. was second, underwriting $40.74 billion, for a 12.9 percent share. Next came First Boston Corp. and Salomon Brothers.

Despite the issuing record, much of the capital was raised from debt securities. With the Dow Jones industrial average turning in one of its worst annual performances since 1981 and Iraq's invasion of Kuwait raising concerns among investors, new equity offerings fell.

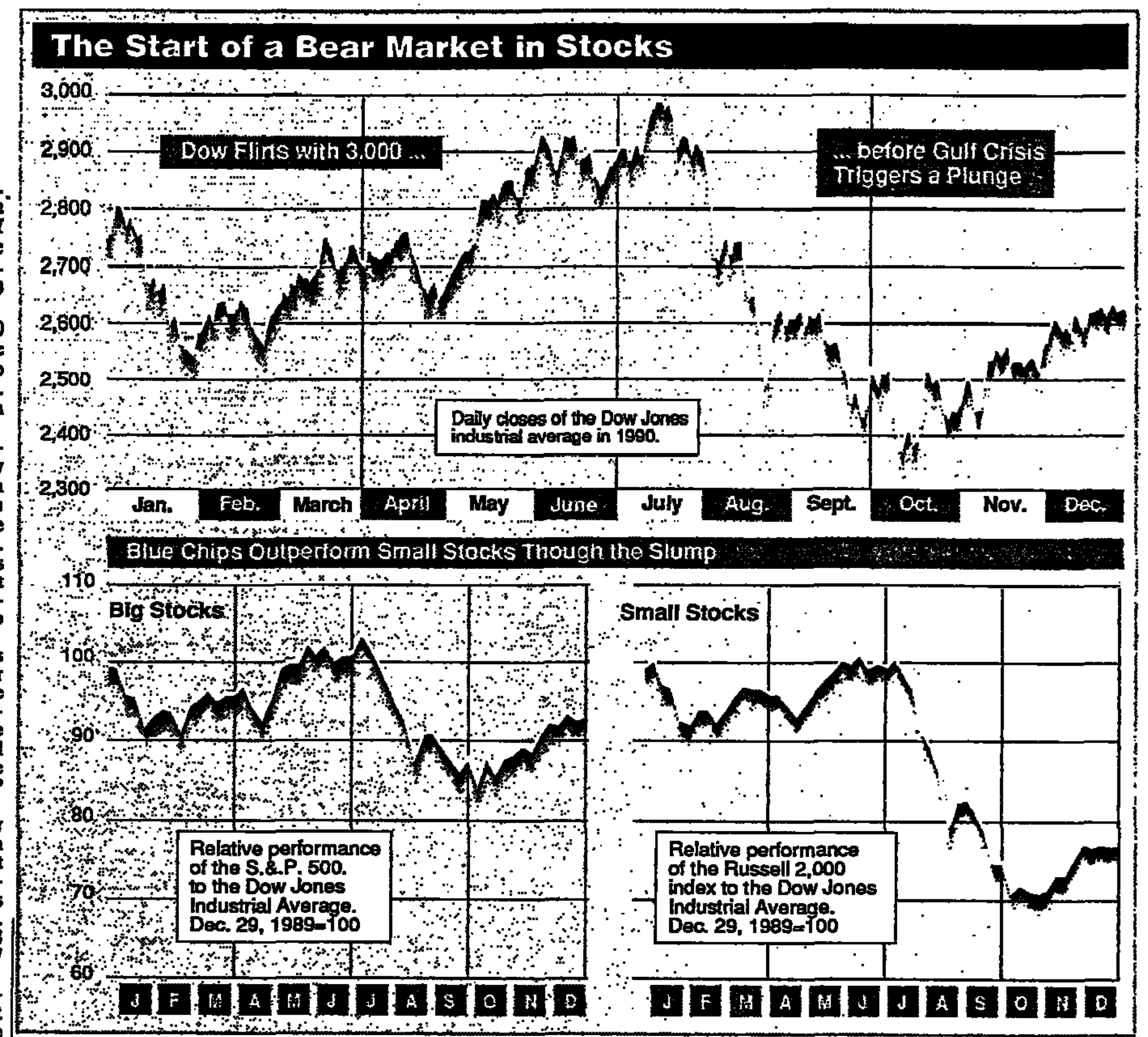
Common stock offerings fell last year to $19.2 billion, below the anemic amount of $23.2 billion in 1989, when markets were unsettled by a 190-point plunge in the Dow, IDD said.

And the already poor market for initial public offerings became even worse. Only 209 such offerings took place, raising $10.1 billion, compared with 247 issues, raising $13.8 billion in 1989.

With less investor interest in equities, virtually all types of debt securities increased sharply. One exception was junk bonds, where the market collapsed and Drexel Burnham Lambert Inc., the biggest underwriter of junk bonds, sought bankruptcy protection. According to IDD, only $1.3 billion in junk bonds were issued in 1990, down about 95 percent from $24.8 billion the previous year.

As junk collapsed, the appetite for investment-grade debt climbed. The issuance of such debt increased 15.5 percent last year to $286.2 billion.

— KURT EICHENWALD



Source: Datastream

International Herald Tribune

In a Weak Market, Newsworthy Stocks Were Among Big Board's Big Losers

By Kurt Eichenwald
New York Times Service

NEW YORK — Despite the troubled financial world of 1990, there were some big winners on the New York Stock Exchange last year, led by innovative corporations whose basic businesses prospered and companies that were reorganized to increase profitability.

But, reflecting the difficulties of 1990, last year's news makers were among the losers.

Among the notable losers on the Big Board were companies that hobbled into bankruptcy court under the weight of too much debt.

Some once high-flying savings and loan associations that were battered by losses from investments in high yield "junk bonds" and soured real estate ventures were also well represented on the list, as were other financial institutions that bet heavily on the real estate business.

The New York Stock Exchange went through its fourth-heaviest trading year, with volume declining 4.9 percent from 1989. The Big Board had a total volume of 39.7 billion shares, down from 41.7 billion in 1989.

But the market was not kind to investors, as the Dow Jones industrial average dropped 4.3 percent for the year, one of its worst performances since 1981.

What's more, the blue-chip average fared considerably better than the broader market. The New York Stock Exchange's composite index ended the year 7.5 percent lower.

Once high-flying savings and loan associations that were burned by investments in "junk bonds" and soured real estate ventures were hit hard, as were other financial institutions that bet heavily on property.

Amdura, the Big Board's worst-performing stock for 1990, filed for protection from its creditors under Chapter 11 of the federal bankruptcy code. The move by the automotive and hardware distributor came less than two years after it had greatly expanded itself with the acquisition of a hardware wholesaler, as well as an automotive parts distributor.

Other losers went into Chapter 11, including Ames Department Stores, the discount retailer that filed for bankruptcy less than two years after it acquired the Zayre, a troubled chain of discount department stores.

The biggest winner was Cabletron Systems, a high-technology company based in Gonic, New Hampshire. The company makes components for computer networks. In 1990, it introduced a new product that monitors activity on an entire network. The company benefited from other moves, like raising equity capital to pay down its lines of credit.

Clayton Homes, a housing manufacturer in the Southeast that provides related financing services, was another strong performer, in part because of the purchase and subsequent sale of $100 million in installment loans for mobile homes, according to Anne F. Carlisle, an industry analyst with Equitable Securities. The Knoxville, Tennessee, company continues to service the loans.

Other winners were companies that had strayed from their core businesses during the 1980s and were reorganized. L. E. Myers worked since 1988 to rid itself of its telecommunications construction unit and another division to refocus on the construction of transmission and distribution systems for electric utilities.

"The company just transformed itself from a real troubled company to a real profitable company," said Elliott C. Robbins, chief financial officer.

Another company whose stock benefited from reorganization was Chiquita Brands, formerly United Brands. Under Carl H. Lindner, the Cincinnati financier, the company has come back from the brink of bankruptcy and is now scouting for acquisitions.

Drugs Were Remedy For the AMEX Blues

By Alison Leigh Cowan
New York Times Service

NEW YORK — Companies whose stocks were unaffected by the Middle East crisis and by the recession ended 1990 as the big winners on the American Stock Exchange.

Health-care and drug companies, for instance claimed four of the top 10 spots.

"Health-care was a good place to be last year," said Ken Abramowitz, an analyst with Sanford C. Bernstein & Co. He ascribed the group's performance to the aging of the population and to consumers' insensitivity to the cost of their care.

Those success stories aside, companies on the American exchange generally had a poor year, as investors fled to markets with a higher concentration of blue-chip stocks.

"It was headed for one of the best years, and when Saddam Hussein came in, investors got nervous," said James R. Jones, chairman of the exchange.

But the exchange's poor performance started long before Iraq invaded Kuwait on Aug. 2. The Amex's market-value index hit its high for the year, 382.45, on Jan. 5.

The market-value index finished the year at 308.11, down 18.49 percent, well beyond the Dow Jones industrial average's 4.3 percent decline, the Standard & Poor's 500's 6.6 percent decline, the 7.5 percent decline on the New York Stock Exchange composite index, and even more than the 17.8 percent decline recorded by the Nasdaq composite index.

Hardest hit were companies with exorbitant debt loads or companies involved in the crumbling real-estate market. NVR, for instance, is a homebuilder that compounded its problems by having borrowed heavily in 1987 to acquire Ryan Homes.

Standouts in a disappointing year were OEA and Tech/Ops Sevcon. OEA makes the electrical devices used in 70 percent of all American-made airbags and stands to benefit from laws that will require airbags in all new cars by 1992. Tech/Ops Sevcon makes speed controls for battery-powered vehicles like forklifts. Their stocks gained 162.7 percent and 72.4 percent, respectively.

"Seventy percent of our business is overseas," said Paul B. Rosenberg, treasurer of Tech/Ops Sevcon. "So the slowdown in America affects us proportionately less."

Sure enough, a humble, recession-proof story, backed by solid earnings, seemed to be the way to investors' hearts.

Viatech, a packaging company that placed 16th in the rankings, is one example. The company believes it is prospering from consumers' willingness to prepare more meals at home in hard times, a shift that bodes well for packaged food.

'It was headed for one of the best years, and when Saddam Hussein came in, investors got nervous.'

James R. Jones, chairman of the American Stock Exchange.

In a change from previous years when splashy takeovers caused the biggest run-ups in publicly traded stocks, only one company, GW Utilities showed up on the winner's list because of an outstanding tender offer.

The company's majority owner, Olympia & York Developments, wants to take the Toronto-based conglomerate private, and has agreed to pay 40 Canadian dollars ($34.61) a share for the 11 percent it does not already own. The offer helps explain why the stock spiked to $31.50, from $20.625 last year.

In a reversal of fortune, Stevens Graphics, a maker of printing presses that was a favorite last year because it had landed some contracts in the Soviet Union, this year found itself 18th from the bottom. One reason: The company reported that it was having trouble collecting $29 million owed by a Soviet customer.

Nation's Small Stocks Became Smaller Still

By Richard D. Hylton
New York Times Service

NEW YORK — It was supposed to be the year of the small stock, with spectacular predictions by analysts and market watchers that 1990 would provide a bull market in stocks with small market capitalizations.

But the experts were wrong.

Rather than taking off, small stocks once again lagged the performance of the large-capitalization issues.

Since the small-capitalization boom of 1982-1983, when the United States was coming out of a recession, small issues have generally underperformed the overall market.

"They systematically lagged in 1990," said Scott Black, president of Delphi Management, a Boston money management firm, which invests about $700 million. "But if you look at them over the last 10 years, as a homogeneous risk-asset class small caps have always lagged."

For 1990, the Nasdaq composite was down 17.8 percent, compared with a 4.3 percent fall in the Dow Jones industrial average or the 6.56 percent drop in the Standard & Poor's index of 500 stocks.

Certain segments of the small stocks fared even worse: The Nasdaq bank stocks were down 34.81 percent in 1990.

The few bright spots were in the technology stocks and the energy issues, which benefited from the surge in oil prices that began in the summer.

Since the October 1987 market collapse, the broad market indexes have more than recouped their losses, but small stocks have lacked the momentum to rebound.

The Nasdaq composite has lost 8 percent of its value since the 1987 collapse, while the S&P 500 has gained 16.81 percent. The Dow has advanced by 17.22 percent.

There are many reasons why small stocks disappointed investors for yet another year and probably as many opinions on whether the outcome will be different this year.

But one undisputed reason was the run-up in oil prices caused by the Iraqi invasion of Kuwait.

"Stocks were performing well in the first half of the year, and after Saddam Hussein invaded, the market shifted to energy and utilities and those two sectors were driving the S&P," said Claudia Mott, senior quantitative analyst specializing in small-capitalization stocks at Prudential-Bache Securities. "Energy and utilities are underweighted on the Nasdaq."

And when the economy is going into a recession, she said, small stocks tend to do very poorly in the first half of the recession and better when the economy is rebounding.

"Smaller-cap companies are mostly domestic, and they have not benefited from the plunge in the dollar which has inflated foreign source earnings of those companies with foreign operations," said Joel Tillinghast, who runs the Fidelity Low-Priced Stock Fund.

Technology issues, particularly computer stocks, were the best performers in the over-the-counter market.

Atop the list of winners was AST Research, an Irvine, California, manufacturer of high-performance desktop computers and a wide range of products for business and professional computer use. AST ended the year at $37.25, a 258.9 percent increase.

AST also has branch offices through Europe and Asia and sells directly to retailers in more than 89 countries.

Among the other big computer winners were Dell Computer, which ended the year at $18.50 a share, a 236.4 percent increase. Dell designs and manufactures high-performance personal computers compatible with IBM standards.

With the performance of Borland International, which designs software, the computer companies took the top three spots among Nasdaq gainers.

Among the big losers were banks and savings and loan associations that were victims of troubled real estate loans and speculative investments made in high-yield securities.

Topping the losers was Abraham Lincoln Federal Savings Bank, reporting losses as it takes special charges and increases loan reserves.

MARKET DIARY

Via Associated Press

Dow Jones Averages

	First	High	Low	Last	Ch'ge
Indus	2810.15	2999.75	2365.10	2633.66	—119.54
Trans	1201.18	1212.77	821.93	910.23	—267.58
Util	226.23	236.23	190.96	209.70	— 25.34
Comp	1053.45	1063.92	839.00	920.61	—114.49

Standard & Poor's Indexes

	High	Low	Last	Ch'ge
Industrials	437.37	346.86	387.42	—16.06
Transport	291.30	209.82	234.67	—42.81
Utilities	157.86	128.52	143.59	—12.75
Finance	31.87	18.80	22.43	— 7.87
SP 500	368.95	295.46	330.22	—23.18
SP 100	351.90	279.33	310.45	—18.90

AMEX Stock Index

High	Low	Last	Ch'ge
382.45	287.79	308.11	—18.49

NYSE Indexes

	High	Low	Last	Ch'ge
Composite	201.13	162.20	180.49	—14.55
Industrials	252.24	200.80	223.60	— 9.16
Transport	182.55	127.25	141.49	—38.84
Utilities	102.92	88.98	91.30	—10.70
Finance	158.71	103.26	122.06	—34.89

NASDAQ Indexes

	High	Low	Last	Ch'ge
Composite	470.30	322.93	373.84	— 80.98
Industrials	511.52	341.98	406.05	— 41.94
Finance	512.93	321.96	359.13	—146.51
Insurance	554.88	379.12	451.84	— 94.17
Utilities	742.46	438.01	482.01	—254.19
Banks	481.39	233.65	254.91	—136.11
Transport	513.66	357.82	417.02	— 81.13

NYSE Diary

	This Yr	Last Yr
Advanced	611	1545
Declined	1657	694
Unchanged	45	20
Total Issues	2313	2279

AMEX Diary

	This Yr	Last Yr
Advanced	283	610
Declined	761	425
Unchanged	22	24
Total Issues	1066	1059

NASDAQ Diary

	1990	1989
Advanced	1337	2641
Declined	3151	2859
Unchanged	131	172
Total Issues	4619	4872

NYSE Sales

	Sales Vol.
Total 1990	39,836,324,000
Total 1989	41,698,538,270
Total 1988	40,438,346,358
Total 1987	47,801,308,460

AMEX Sales

	Sales Vol.
Total 1990	3,328,918,000
Total 1989	3,125,030,088
Total 1988	2,515,210,000
Total 1987	3,505,950,000

NASDAQ Sales

	Sales Vol.
Total 1990	33,379,575,100
Total 1989	33,530,385,900
Total 1988	31,070,080,088
Total 1987	37,890,000,000

NYSE Percent Gainers

	Vol.	High	Low	Last	Chng	Pct
Cabletron	135199	29¾	6⅞	28½	+19⅜	204.0
US Surg s	240536	71⅜	24⅝	71⅜	+44	160.7
SignalApr	22232	13	2⅝	10½	+ 6¼	147.1
EMC Cp	155366	9⅝	3⅝	8	+ 4⅝	146.2
MyersLE	38803	21	6⅝	15⅛	+ 8⅝	124.1
SignlApr	759	41⅜	13⅝	40⅛	+21⅛	111.8
OreStl s	110159	26⅛	11⅜	24	+11⅞	97.9
ClaytonHm	78783	13⅞	6⅝	13⅛	+ 6⅝	96.4
IntlRect	139044	12⅝	4⅛	11	+ 5⅛	91.3
FabrlCtr	35830	25⅜	13⅝	25⅝	+12	87.3
Christian	5827	19⅛	8⅛	17½	+ 8⅛	86.7
Chiquita	232234	32⅝	16	32	+14⅝	84.2
StorageTC	651202	35½	11	21½	+ 9⅝	83.0
ConnerPer	123289	31⅛	12⅛	23⅝	+10½	80.0
SuaveShoe	15117	14½	5½	9½	+ 4⅛	76.7
HouseFab	78476	31⅞	16	30⅝	+13	74.8
ClaytnHme	70100	15⅝	7⅞	15⅛	+ 6⅛	74.3
MerryGoR	199565	28	13	25⅛	+10⅝	72.4
RLI Corp	14036	14⅝	8⅝	14½	+ 6	70.6
OakwdHm	34833	12	6⅛	11⅛	+ 4⅝	67.9
Fansteel	14533	13½	7⅛	12⅝	+ 4⅝	65.0
RAC Mtg	55397	5⅝	2⅛	5⅝	+ 2	64.0
HomeDepot	11872	43½	23	38⅝	+14¼	58.5
MiltonRoy	72876	28⅞	13⅝	28	+10	55.6
NCR Cp	896471	92⅞	44½	90⅝	+31⅝	54.1
CUC Intl	138181	22⅞	12	22⅛	+ 7⅝	53.4
Galschalk	25078	15	8⅝	13⅝	+ 4⅝	52.9
NortonCo	542897	90	45⅛	90	+31⅛	52.9
BlockbEnt	885696	26⅛	13⅝	25⅝	+ 8⅝	52.2
Nike B s	117947	47⅞	24	40¼	+13⅝	51.2
FundAmer	377272	52	29½	51⅞	+17⅛	49.3
FrptMcCop	116336	19	10⅛	16	+ 5¼	48.8
Donaldsn	35425	35	21½	32¾	+10½	47.2
HlthaInRe	147699	25⅛	13⅝	25	+ 7¾	44.9
KentElec	36080	14⅞	7⅛	12⅞	+ 3⅝	44.8
SvceCp	332946	24⅛	13⅝	22⅞	+ 6⅞	44.0
Imcera	193010	75	48	75	+22⅝	43.9
Beverly	110034	8⅝	3⅝	8⅝	+ 2⅝	43.8
Whittakr n	31423	12	7⅞	11⅝	+ 3½	43.5
FedSignal	73325	32⅛	16½	30⅝	+ 9⅛	43.3
GnMotr L	415785	40⅝	24⅝	38⅞	+11⅞	41.7
VarianAsc	237054	36⅛	20	30½	+ 8⅞	41.0
AL Labs	51790	25½	17	25⅝	+ 7⅝	39.8
Aileen In	15739	3⅝	1⅞	3⅛	+ ⅞	38.9
VistaChem	151956	54⅝	16⅞	53⅛	+14⅞	38.3
WalUn pfA	9030	19⅛	6	9⅛	+ 2½	37.7
MonarchCo	82046	18⅛	⅝	⅝	—16⅝	96.7
LeisurTC	8451	12⅛	⅛	⅝	—12⅝	95.5
CrossldSv	21854	31½	⅝	1⅝	—29⅝	94.8
CrossldSv	50299	6⅛	⅛		— 5	94.3
MonorCo n	1501	47½	1⅛	2⅝	—38⅝	94.2
DelVal	34085	19	1	1⅛	—17⅝	93.8
vjCircleK	499592	3⅝			— 3	91.7
MortrEN Jv	497402	4⅜		⅜	— 4	91.4
Deltona C	14499	5			— 4	90.4
VMS Mtg n	92286	5½	⅝	1⅛	— 4⅝	89.7
CrossldSo	133739	3⅝	¼	⅜	— 3	88.9
Munsingwr	97230	2⅞		¼	— 1⅞	88.2
FtCtyBcp	323299	37	2⅝	4⅝	—32⅛	87.5
vjSalant	73634	12⅞	1⅛	1⅝	—10⅝	86.2
CityFstBc	37055	15⅛	1⅛	1⅞	—11⅝	85.8
BusinInd	361987	11⅞	1⅛	1⅜	— 8	85.3
MNC Fnc	737180	23⅝	3⅛	3⅛	—18⅝	85.3
CF Income	38274	6½	⅝	⅝	— 4⅝	84.8
HomeFed	357759	33⅝	4½	5	—26⅝	84.3
SouestSa	337947	13⅛	1⅝	2	—10⅝	84.3
CenalCor	2145	5⅛	⅝	⅝	— 4⅝	83.3
Hahelltty	74575	7⅞	1	1⅛	— 5⅝	83.3
UnitedFdF	84129	19⅛	3½	3	—14⅞	83.2
UnivrsCp	119561	17⅞	1⅛	2⅝	—12½	83.1
FNewlFd	43403	8⅝	1⅛	1½	— 7⅛	82.9
vjLoneStr	291878	16⅞	1⅜	3	—14⅛	82.9
MissRlty	97040	14⅝	2⅝	2⅝	—11½	82.9
Northgate	81734	7½	1	3⅝	— 5⅛	82.4
KngerPrpn	174147	23⅞	3⅝	4⅝	—19½	82.1
USG	199875	6⅞	⅝	⅝	— 3⅝	81.9
AmSvBkNY	47988	7⅝	1	1⅛	— 6⅛	81.7
FtCapHld	446536	9⅞	1⅛	1⅝	— 7⅝	81.7
Caulmark	84770	15⅝	1⅞	2⅝	— 9⅝	81.3
HooperSol	13835	8⅛	⅝	1⅛	— 4⅞	81.3
Dolgani p	9868	9⅛	¾	1⅜	— 5⅝	81.0
MiltsDeal	23837	8	1	1	— 4⅝	81.0
NatwkLgp	267396	24⅜	3	6	—25½	81.0
FtCtyBcp	35787	71	10½	13⅝	—56⅝	80.5
ART Rlty	36403	15½	2⅝	7⅝	— 9⅝	80.0
CoastSvFn	178545	12⅝	1⅝	2⅜	— 9⅝	79.8
Manville w	34174	3⅝	⅝	⅝	— 2⅝	79.4
AmSvBkNY	28933	11⅞	1⅛	2	— 7⅛	79.5
Intlgt pf	300549	36⅞	1		—26⅝	79.3
CapitCap pf	9831	7⅝	⅝	1⅝	— 1⅝	78.9
MS Em nan	50798	10⅞	2⅛	2⅝	— 7⅝	78.8

AMEX Percent Gainers

	Vol.	High	Low	Last	Chng	Pct
Naborsind	43969	3⅞	⅝	1¾	+ 1⅛	180.0
DomsEngy	22335	1⅞	⅝	1½	+ ⅝	164.7
OEA s	31781	41½	14½	39⅝	+24⅝	162.8
DomsEngy	33652	1⅝	⅝	1¼	+ ¾	150.0
NewLine s	100194	13¼	4⅝	9	+ 4⅝	105.7
IncstarCp	49085	5⅝	2⅝	5⅛	+ 2⅝	100.0
KonGE pf	12463	98	44⅝	95	+47½	99.8
SchultHm	4494	4½	1¾	4⅝	+ 2⅛	94.4
TherCrd n	43799	22½	7	13¾	+ 6⅝	93.9
BorrLab	9266	9⅝	4⅝	8⅝	+ 4	82.1
TechOpsSe	4099	11¾	6	11	+ 4⅝	72.5
Gen Emply	9832	4⅝	2¼	4	+ 1⅝	68.4
LazareKap	4234	27	8⅝	13⅝	+ 5⅝	67.2
PenrllCo	32184	9¼	4⅝	8⅛	+ 3½	64.7
Amisrael	1436	32⅝	17⅛	29¼	+11⅝	66.0
MortonTc	6875	1¼	⅜	⅝	+ ⅜	62.5
AmTr-pp s	42583	42½	15½	37⅝	+14⅛	60.8
Ford wtY?	30272	8⅛	3½	5⅝	+ 2⅝	58.7
Naborsind	242493	7¼	3¼	5⅝	+ 2⅛	58.7
Citicp wt	15230	8⅝	3⅝	6⅝	+ 2⅝	57.4
US Biosci	108316	20⅝	8¼	19½	+ 7⅛	57.6
WCI Hld p	16368	10⅝	4	9	+ 3⅛	56.5
GrahamFld	36105	4⅝	1⅝	3⅛	+ 1⅛	56.3
Beth Corp	2554	2⅝	1⅛	1⅝	+ ⅝	55.6
ElanCp	162887	23	11⅛	20⅝	+ 7⅛	52.8
GW Util	2736	32	17½	31½	+10⅝	52.7
Astrich w	738	⅝	⅛	⅛	+ ⅛	50.0
UtdMedic	7003	11⅝	5⅝	8	+ 2⅝	48.8
SulTelk	33821	6⅛	2⅝	4	+ 1¼	45.5
Tecogen	20725	11½	4⅝	8	+ 3½	45.5
Weathfrd	238057	10⅝	4¼	7¼	+ 2¼	45.0
ColorSyst	24274	3	1¼	2½	+ ¾	42.9
HooperHlm	8325	14¼	8½	13½	+ 4	42.1
Seitel	61405	16⅝	7⅛	10⅝	+ 3⅛	41.7
MarsGah	9846	10⅝	3⅝	6⅝	+ 1⅞	39.5
Viatech	10928	27⅝	14⅝	24⅝	+ 7	39.2
AmTr-ka s	58971	23⅛	9⅝	20¼	+ 5⅝	38.8
AmTr-pp u	189	89½	64½	81⅝	+21⅝	36.4
NichInst	75127	18⅝	11	17	+ 4½	36.0
DeRose In	2322	⅞	¼	½	+ ⅛	33.3
FredHoly	19305	13⅝	7⅝	11	+ 2⅝	33.3
PreidHlth	56460	11⅛	6½	11	+ 2¾	33.3
RMS Intl	2418	1	⅝	½	+ ⅛	33.3
Sbarro	39234	34⅝	19⅞	32	+ 8	33.3
AmTr-inl	452	71⅛	53	70⅝	+17⅛	32.7
SupSurM	6121	46	27⅝	40⅝	+ 9⅞	32.1
vjEAL 27	16248	8⅛	⅛	⅛	— 7⅝	98.4
vjEAL 32	39943	9⅝	⅛	⅛	— 9⅛	98.1
vjEAL 31	17999	9⅛	⅛	⅛	— 8⅝	97.9
UnValy w	178	1⅛			— 1	97.2
Balfour	12594	8	⅛	¼	— 6⅝	96.5
ComFed	43265	1⅝	⅛	⅛	— 1⅝	95.5
Banyan	62178	2⅝		⅛	— 2⅝	94.7
vjEAL 28	88623	15⅛	⅝	⅝	—14⅝	94.6
AmTr-axo	56326	6⅛	⅜	⅜	— 6⅛	93.9
MorgJP wt	7784	1⅝			— 1	93.2
TriangHme	1298	1⅞	⅛	⅛	— 1⅝	92.9
UnValley	1516	3⅝	⅛	¼	— 3⅝	92.9
CompuDyne	4244	2½	⅛	⅛	— 2⅝	92.1
NorthwstG	109429	4	¼	¼	— 2⅝	92.0
IversonTc	15538	4⅝	¼	⅜	— 3⅝	91.4
ECI Env	16185	8½	⅝	⅝	— 7⅝	91.1
IntlTelch	157216	4	¼	⅜	— 3⅝	91.1
Rymer wt	749	3	¼	¼	— 2½	90.9
Baldwin S	1789	3⅛	¼	¼	— 2⅝	90.4
SPI Hld P	5488	5⅛	½	⅜	— 3½	90.3
FPA Cp	4663	2⅝	⅛	⅛	— 1⅞	90.0
KeystnCom	43117	1⅝	⅛	⅛	— 1⅛	90.0
Tofutti	7220	2	⅛	⅛	— 1⅝	88.5
AmTr-lom	131162	9⅞	⅝	⅝	— 6⅝	87.7
Delmed	119488	⅝	⅛	⅛	— ⅝	87.5
EverJn A	13312	8⅝	⅝	1	— 7	87.5
IncoOppor	3601	5⅝	⅛	⅝	— 4⅝	87.5
UnicornAm	12830	2⅝	⅛	¼	— 1⅝	87.5
VHTHotl	26341	3⅝	¼	⅜	— 2⅝	87.5
BolarPh	374029	19	1⅝	2⅝	—15⅝	87.0
AT&E Cp	344289	25⅝	1⅝	2	—13	86.7
AltsvarIn	16184	2⅝	¼	¼	— 1⅝	86.7
AmTr-dow	64960	18⅝	1⅝	2⅛	—13⅝	86.7
FstFedBcp	13443	6½	⅝	⅝	— 5⅝	86.7
Veronex	43078	4⅝	⅝	⅝	— 3⅝	85.7
ContlAirl	118162	12⅛	1	1⅝	— 9⅝	84.8
Oppenheim	21523	2⅝	⅛	⅛	— 1⅝	84.4
EverJn B	1348	8⅝	1⅛	1⅝	— 7⅝	83.8
VMS ShTrm	22543	5⅝	⅝	⅝	— 4⅝	83.8
AmTr-s sc	38780	4⅛	⅝	⅝	— 2⅝	83.3
Angeles w	387	⅝			—	83.3
Hrmk Bf	3231	9⅛	1⅝	1½	— 7½	83.3
Fibrebrd	26584	14⅝	1⅝	2⅝	—11	83.0
Lionel	117191	6	⅜	⅝	— 4⅝	82.5
Intermark	43909	10⅝	1½	1⅝	— 8⅝	82.3

NASDAQ Percent Gainers

	Vol.	High	Low	Last	Chng	Pct
FastComm	37631	1⅞		1⅛	+ 1	1100
MachnTech	27751	2⅝		2⅜	+ 2	700.0
EVRO	4643				+ ⅝	600.0
Rubicon	7817	⅝		⅝	+	566.7
OtraSec	25824	3⅝	⅛	2⅝	+ 2⅛	430.0
LifelineS	112369	18¼	3½	18¼	+14½	386.7
UnitFash	10457	7⅛	1½	7	+ 5½	366.7
HawksInd	35181	⅝			+	350.0
PriTeam	59280	8½	1⅝	6	+ 4⅝	336.4
Accuhlt w	17432	1⅝	⅜	1⅝	+ 1¼	333.3
Oncor wt	21979	2½	⅜	1⅛	+ ⅞	225.0
MedInn wt	21885			½	+	300.0
PaceMed w	1677	1⅝	⅛	½	+ ⅜	300.0
QuikEn wt	111601			½	+	300.0
Starstrea	5511	1⅝	¼	1	+ ¾	300.0
VallyFrg	23275	1⅝	⅜	1⅛	+ ⅞	300.0
USA Waste	51638	6⅝	1⅝	5⅝	+ 4⅛	268.0
CobaltMed	226429	13⅝	2⅝	9⅝	+ 7⅛	262.8
AST Rsch	966289	37⅝	3⅞	37⅝	+26⅝	259.0
GTS Co	43008	7⅛	1⅛	4⅛	+ 3⅛	257.9
SmithInt	61306	7⅛	1⅛	3⅝	+ 2⅝	244.4
DellCptr	481914	18⅝	4⅝	18½	+13	236.4
BentonOG	51322	17	4	16¼	+11⅛	233.3
PoralPtr	43932	2	¼	1	+	230.0
EnvrnMon	13185	⅞	⅛		+	225.0
Intrpharm	9572	13½	2¼	10½	+ 7¼	223.1
Borland	627863	32	9⅝	31⅝	+21⅝	221.5
HlthcrCmp	135980	18⅝	5⅝	17⅛	+11⅞	220.9
Bioplasty	34544	11⅛	2⅝	10	+ 6⅞	220.0
AmPwCv s	138461	19⅝	4⅝	18¼	+12½	217.4
Admar	312187			⅝	+ ⅛	200.0
AmScreen	38528				+ ⅛	200.0
BasicErth	11372				+ ⅛	200.0
InnoVet w	13172				+ ⅞	200.0
SGI Intl	104459	4⅝		2⅝	+ 1⅝	200.0
SecomGn s	20094	3¼	1	3	+ 1	190.9
CondeloLs	112360	25	8	22½	+14⅝	190.3
HanorOrth	1894	2⅝	⅜	1⅝	+ ⅝	185.7
ClearlyCd	293875	8¼	1⅝	4⅝	+ 3	184.6
MarkelSys	54697	1⅝	⅛	⅞	+ ⅜	180.0
EngryAsse	12132				+	175.0
SynOptic	412904	36⅝	10½	34⅝	+21⅝	171.3
ATC Inc	36797	2⅞	½	2⅞	+ 1⅝	170.6
Conmed	31788	12¾	3½	11½	+ 7¼	170.6
BeaPtrl	7981	20⅝	6⅝	18½	+11⅝	169.1
AmNuclrCo	10024	1½	½	1⅛	+ ⅝	166.7
Cryotech	8520	1⅛	⅝	½	+ ⅝	166.7
MyoTech	42958	⅝		¼	+	166.7
QuartzInc	6927	6⅝			— 4	99.3
AbeLincFd	4373	12½	⅛	⅛	—12⅝	99.0
MgtTech w	8811	3½			— 3	99.0
CapitlBcp	30666	5⅝			— 2	98.9
vjAvonR w	4582	2⅝			— 2	98.6
PharMedic	28789	7⅝	⅛	⅛	— 4⅞	98.6
LandmkCBc	8034	4⅝	⅛	⅛	— 4⅝	98.5
vjStlkGrp	215673	10⅝	⅛	⅛	— 7⅝	98.4
Selvac wt	8291	1			— 1	98.2
vjBaylyCp	4459	1⅝			— 1	98.1
ProspctPk	19069	6½		⅛	— 6⅝	98.0
VisionSci	556	6⅝		⅛	— 5⅝	97.7
GroyndEl	79952	9⅝	⅛	⅛	— 7⅝	97.6
InvitronC	66141	5¼	⅛	⅛	— 5⅛	97.6
AmNtwk wt	4536	1⅛			— 1	97.5
CreatLrn	4960	1⅝			— 1	97.5
VideoSuws	30092	1⅝			— 1	97.5
vjIntlAme	28160	1⅛			— 1	97.4
VisionSci	1884	1⅛			— 1⅛	97.3
AmerFstBR	57079	4⅝	⅛	⅛	— 2⅝	97.2
Pharmcntl	51212	7⅝	⅛		— 5	97.2
Dartmouth	72598	4⅞	⅛	⅛	— 4⅝	97.1
MerimackB	13862	2⅝	⅛	⅛	— 2⅝	97.1
AboveTch	21180	1			—	96.9
Astrc wt	816	2½	⅛	⅛	— 1⅝	96.9
GenRed E	62	2¼	⅛	⅛	— 1⅝	96.7
AmNtwk un	2011	7½	⅛	¼	— 7⅛	96.7
Istecind	27143	3⅝	⅛	⅛	— 3⅝	96.7
Trustbank	11746	6½	⅛		— 5	96.4
FstWoburn	22811	2⅝	⅛		— 2	96.3
FstExec p	336480	14½	⅝	⅝	—13⅝	96.1
FstExec p	466717	11⅝	⅛		—11	96.1
DiseaseDe	70838	9⅝	⅛	¼	— 6	96.0
Infotech	89786	9	⅝	⅛	— 7⅝	96.0
AmNtwk	51888	2⅝	⅛		— 2	95.8
FstExec	124054	9⅝	⅛		— 9	95.8
GrudgeMod	18091	2⅛	⅛	⅛	— 1⅝	95.8
Istec un	323	7½	¼	⅛	— 7⅝	95.8
vjPharmkt	136480	5			— 4	95.6
Agrolite	25555	⅝			—	95.5
TradtInd	50645	3⅝	⅛	⅛	— 2⅝	95.5
Amerifx p	2816	5⅝	⅛	⅛	— 5⅛	95.3
Amerifax	11625				— ⅝	95.2

NYSE Most Actives

	Vol.	High	Low	Last	Chng
PallMr	152455	51⅝	36	51⅝	+10⅛
AT&T	142587	46⅝	29	30⅝	—15⅝
Citicorp	142143	29⅝	10⅝	12⅝	—16⅛
IBM	140298	123⅛	94½	113	+18⅝
GenEl	139637	75½	50	57⅝	— 7⅝
FedNM	132353	44⅝	24⅞	35⅝	+ 1⅝
AmExp	131528	35¼	17½	20⅝	—14⅛
WalMt s	130215	36⅝	20⅛	30⅛	+ 7⅝
Exxon	129481	55⅝	44⅞	51⅝	+ 1⅛
GnMotr	129408	50½	33⅛	34⅝	— 7⅞
Boeing s	127496	61⅞	37⅝	45⅝	+ 5⅝
Waste	127192	45½	28⅝	35	
BrMySq	125481	68	50½	67	+11
Chase	125190	35⅝	9⅝	10½	—24⅛
EKodak	124893	43⅝	33⅝	41⅝	+ ½
ConrPr	123289	31¼	12¼	23⅝	+10½
PepsiC s	122438	27⅝	18	26	+ 4⅛
McDonl	121963	38½	25	29⅛	— 5⅝
FordM	121856	49⅝	25	26⅝	—17
Unitel s	121559	46⅝	20⅞	23¼	—14⅝
BnkAm	121264	33½	17½	24½	— ⅛
TexUtil	120663	39	32	36⅝	+ 1½
CocaCl s	120685	49	32⅝	46½	+ 7⅝
Merck	120872	91⅛	67	89⅝	+12⅝
Baxter	120050	29½	20½	27⅝	+ 2⅝

AMEX Most Actives

	Vol.	High	Low	Last	Chng
SNk 193wt	110968	22⅛	3⅝	17⅝	
Hlthov a	110518	2⅝	⅞	1⅝	
BAT In	110509	12⅝	7⅝	10⅝	— 1⅝
vjCntlAr	108162	12⅝	1	1⅝	— 9⅝
ENSCO	900285	5⅝	2	2½	— 1⅞
EchoBy	878825	21¼	7⅝	9⅛	— 9⅝
Dk Nk wt	842141	23	4⅝	18⅝	
Amdhl	776931	18⅝	10	14⅝	— ⅛
FruitL	765770	15⅝	6⅛	8⅝	— 6
WangB	609224	6⅝	2	2⅝	— 2½
SNk 193wt	582056	23⅝	3⅝	18⅝	
DowC rt	472583	11⅛	4½	5⅝	— 2⅝
PW Nk pw	471966	11⅝	2⅝	9⅝	
WDigitl	446029	14⅝	4	4⅝	— 3½
Coran g	414435	10	4	4⅝	— 4⅝
BT Nk wt	404952	39⅝	7½	47	
JanBell	383563	26⅝	6⅛	7	—18⅝
BolrPh	374020	19	1⅝	2⅞	—15⅞
Diasonc	349678	4⅝	1⅝	2⅝	— 1½
NY Tim	336486	27½	16⅝	28⅝	— 5⅝
SNk 93cwt	320698	4⅝	1⅝	1⅝	
Alza	317919	50⅝	33⅛	50⅝	+ 7
BksNk wt	301704	11⅛	2⅝	9⅝	
Hasbro	300017	21½	11⅛	15⅝	— 3⅝
SFT 393wt	295001	6⅝	2⅝	4⅝	

NASDAQ Most Actives

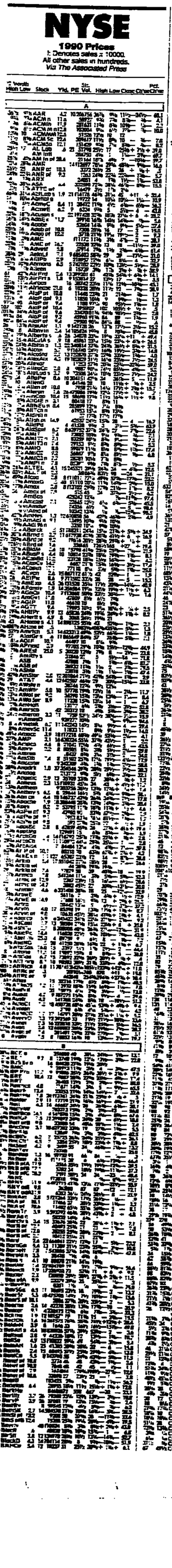
	Vol.	High	Low	Last	Chng
MCI	160093	44⅞	18½	19⅞	—24⅛
TelMex	157775	1⅝	⅞	1	+
Intel	147125	52	28	38½	+ 4
Oracle	140662	28⅝	4⅝	7⅝	—15½
AppleC	139630	47⅝	24⅛	43	+ 7⅛
SunMic	136104	37⅝	15	21⅝	+ 4⅛
TlcmA s	134999	18⅝	8⅝	13⅛	— 4⅛
Micsft s	121773	80⅝	42	75¼	+31⅝
Seagate	121312	19⅝	5⅝	11⅝	— 3⅛
Novell s	117313	34	13⅝	33	+17½
ReutHd	117159	71⅛	32⅝	49½	— 9⅝
McCaw	117130	38⅝	11	17⅝	—21
Lotus	115971	39⅝	12½	28	—11
LizClab	115478	35	20⅝	29⅝	+ 5⅝
AdobeS	114509	58⅝	17	29⅝	+ 8⅝
Quntum	114307	25⅝	8⅝	18⅝	+ 7⅝
DSC	113298	16⅝	4⅝	6⅝	— 7⅝
Nordst	113144	39⅝	17⅝	22¼	—15
Sftwx s	112929	24⅝	1⅝	3⅝	— 4⅝
Amgen s	112341	63½	21½	62⅝	+37⅝
MentGr	111787	26	9	12⅝	— 4⅝
3Com	111011	19	4⅝	8	— 5⅝
Cetus	111004	22⅝	5⅝	7⅝	— 7
MedcoC	110415	32⅝	15⅝	30⅝	+12
Tandon	110401	4	⅝	1⅛	+ 1

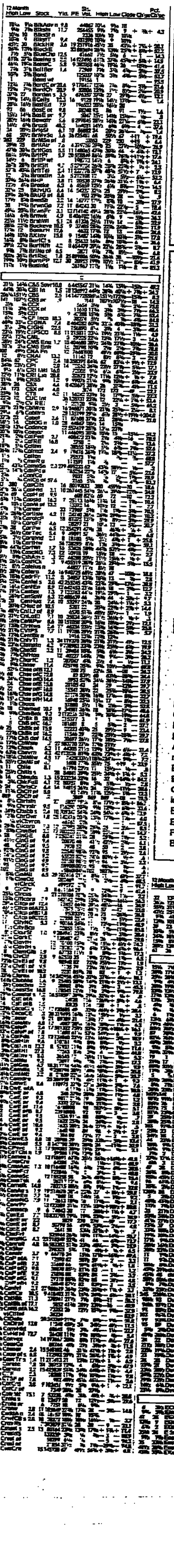
1990 U.S. STOCK MARKET REVIEW

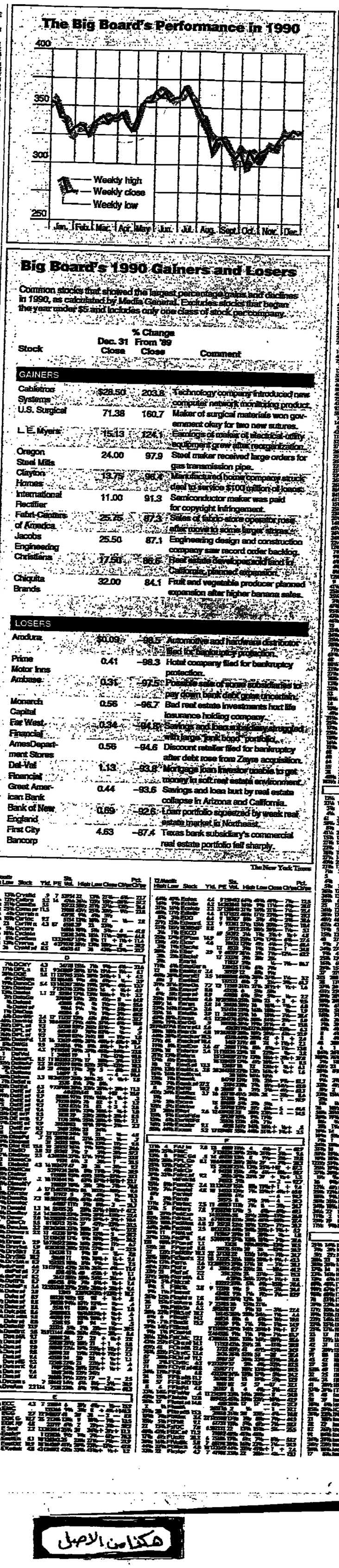
NYSE

1990 Prices

h: Denotes sales in 10000.
All other sales in hundreds.
Via The Associated Press





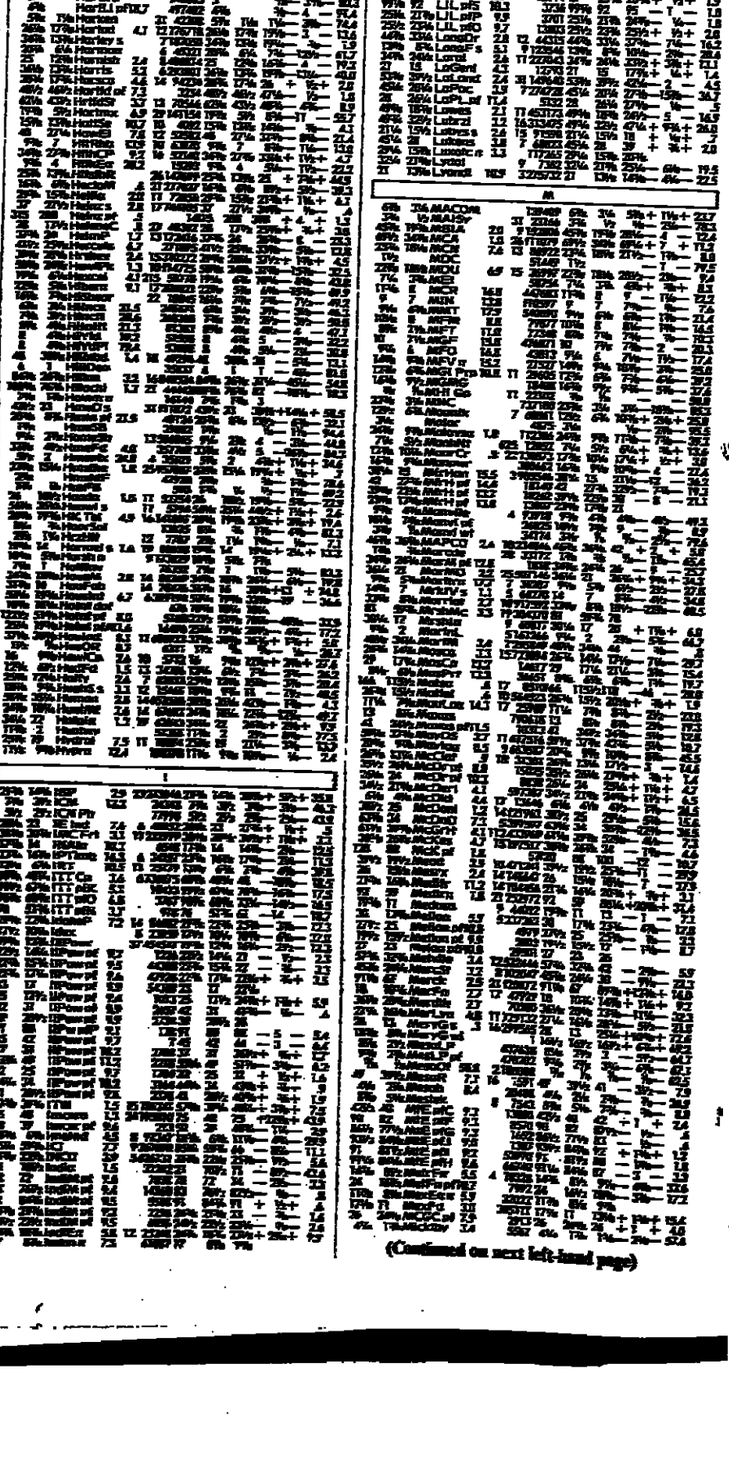


Big Board's 1990 Gainers and Losers

Common stocks that showed the largest percentage gains and declines in 1990, as calculated by Media General. Excludes stocks that began the year under $5 and includes only one class of stock per company.

Stock	Dec. 31 Close	% Change From '89 Close	Comment
GAINERS			
Cabletron Systems	$28.50	203.8	Technology company introduced new computer network monitoring product.
U.S. Surgical	71.38	160.7	Maker of surgical materials won government okay for two new sutures.
L.E. Myers	15.13	124.1	Earnings of maker of electrical-utility equipment grew after reorganization.
Oregon Steel Mills	24.00	97.9	Steel maker received large orders for gas transmission pipe.
Clayton Homes	13.75	96.2	Manufactured home company struck deal to service $100 million of loans.
International Rectifier	11.00	91.3	Semiconductor maker was paid for copyright infringement.
Fabri-Centers of America	25.75	87.3	Sales of fabric-store operator rose after move to some larger stores.
Jacobs Engineering	25.50	87.1	Engineering design and construction company saw record order backlog.
Christiana	17.50	86.5	Real estate developer sold land in California, planned expansion.
Chiquita Brands	32.00	84.1	Fruit and vegetable producer planned expansion after higher banana sales.
LOSERS			
Arodura	$0.09	–98.5	Automotive and hardware distributor filed for bankruptcy protection.
Prime Motor Inns	0.41	–98.3	Hotel company filed for bankruptcy protection.
Ambase	0.31	–97.5	Possible sale of some subsidiaries to pay down bank debt gone uncertain.
Monarch Capital	0.56	–96.7	Bad real estate investments hurt life insurance holding company.
Far West Financial	0.34	–94.8	Savings and loan struggled with large "junk bond" portfolio.
Ames Department Stores	0.56	–94.6	Discount retailer filed for bankruptcy after debt rose from Zayre acquisition.
Del-Val Financial	1.13	–93.8	Mortgage loan investor unable to get money in soft real estate environment.
Great American Bank	0.44	–93.6	Savings and loan hurt by real estate collapse in Arizona and California.
Bank of New England	0.69	–92.6	Loan portfolio squeezed by weak real estate market in Northeast.
First City Bancorp	4.63	–87.4	Texas bank subsidiary's commercial real estate portfolio fell sharply.

The New York Times



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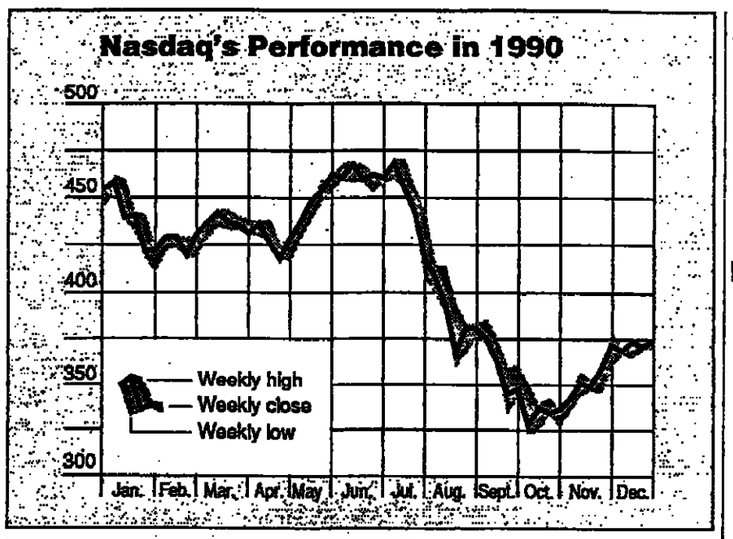
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1990 U.S. STOCK MARKET REVIEW

NASDAQ

National Market
1990 Prices
f: Denotes sales x 10000.
All other sales in hundreds.



Nasdaq's 1990 Gainers and Losers

Common stocks that showed the largest percentage gains and declines in 1990, as calculated by Media General. Excludes stocks that began the year under $5 and includes only one class of stock per company.

Stock	Dec. 31 Close	% Change From '89 Close	Comment
GAINERS			
AST Research	$37.25	258.9	Company gained from demand for high-performance desktop computers.
Dell Computer	18.50	236.4	High-performance computer maker saw strong demand for new products.
Borland International	31.75	221.3	Personal computer software maker gained from new products' success.
Healthcare Compare	17.25	220.6	Provider of health-care management services had 60 percent rise in sales.
AmericanPower Conversion	18.25	217.4	Maker of uninterruptable power supply tools introduced three products.
Candela Laser	22.50	190.3	Maker of lasers benefited as doctors turned to "minimally invasive" surgery.
Synoptics Communication	34.25	171.2	Maker of networking systems that link computers gained from big demand.
Micro Health-systems	21.50	164.5	Health-care product distribution pact increased earnings projections.
Laserscope	25.00	163.2	Surgical laser sys. products maker signed worldwide distribution pacts.
Surgical Laser Technologies	18.25	160.7	New laser system got FDA approval and short interest fed October rally.
LOSERS			
AbrahamLincoln Federal Savings	$0.13	–99.0	Bank had severe loan losses and raised loan-loss reserves.
Bayou International	0.06	–99.0	Australian energy conversion and real estate company struggled with debt.
Silk Green-house	0.13	–98.4	Warehouse-style retail shops filed for bankruptcy protection.
Prospect Park Financial	0.13	–97.9	Savings and loan battled real estate loan losses.
Greyhound Electronics	0.19	–97.5	NJ officials seized assets, citing mob ties and illegal activity by executives.
Invitron	0.13	–97.5	Biotech company lost primary customers and agreed to sell itself.
Pharma-control	0.16	–97.1	Maker and distributor of over-the-counter drugs had more losses.
Disease Detection Intl	0.25	–96.7	Company's largest distributor filed for bankruptcy, forcing it to raise capital.
Trustbank	0.22	–96.3	Savings banks had increase in troubled loans, losses.
Infotechnology	0.31	–96.0	Banks accelerated payment date on debt amid accounting controversy.

The New York Times

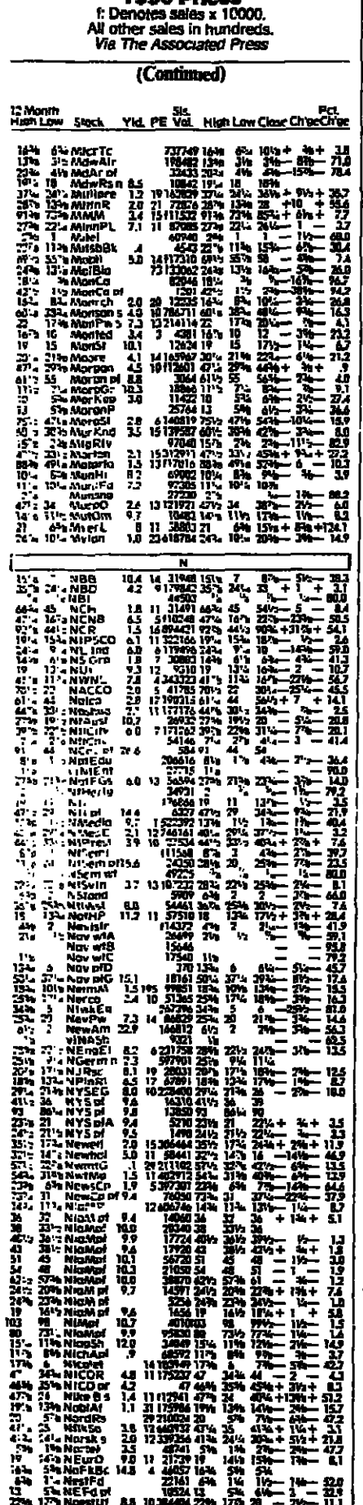
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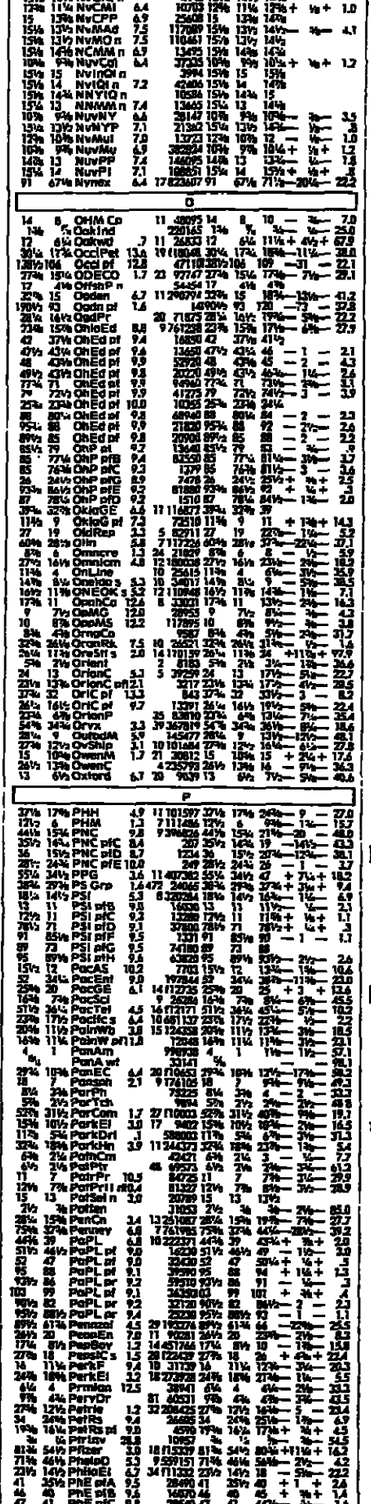
1990 U.S. STOCK MARKET REVIEW

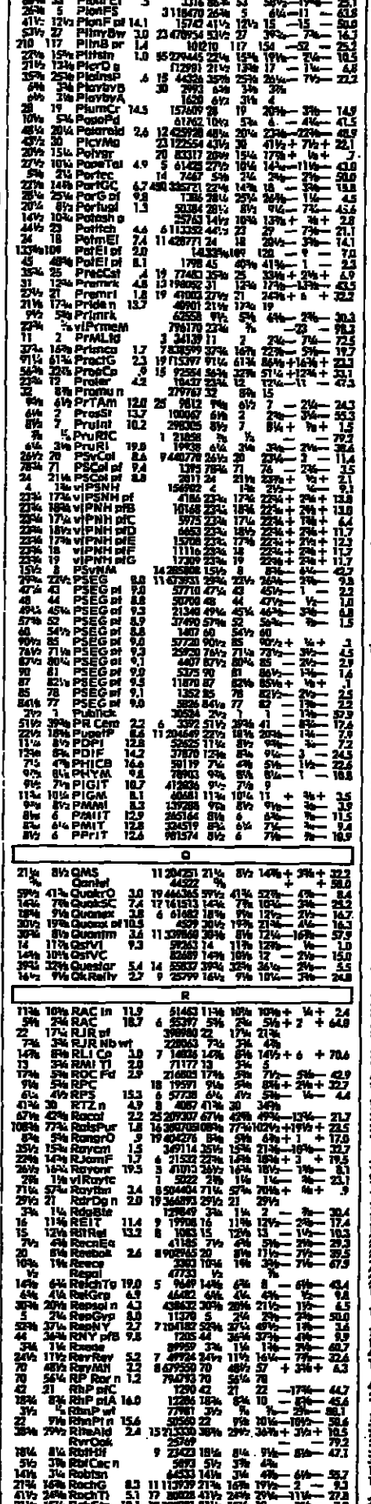
NYSE

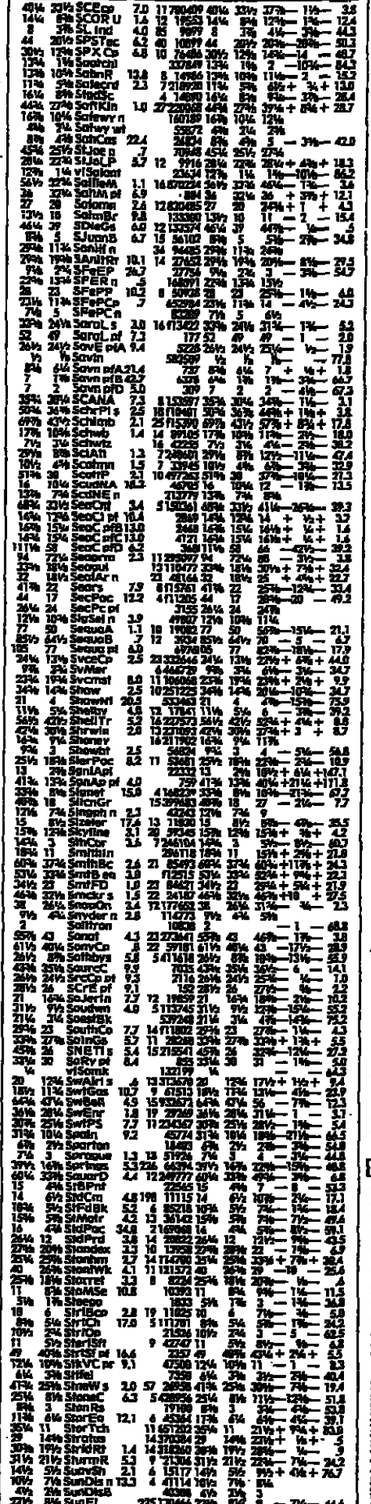
1990 Prices
f: Denotes sales x 10000.
All other sales in hundreds.
Via The Associated Press

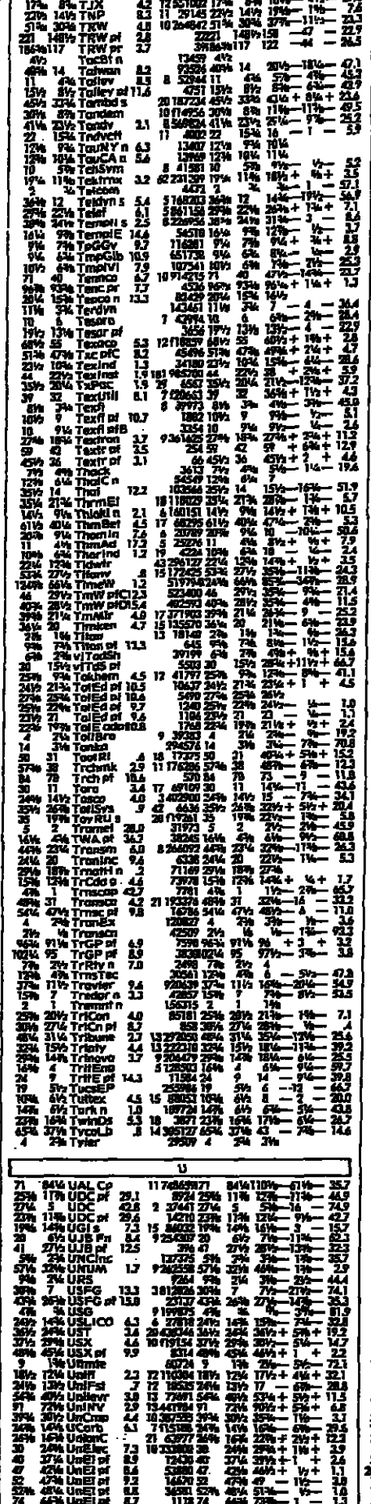
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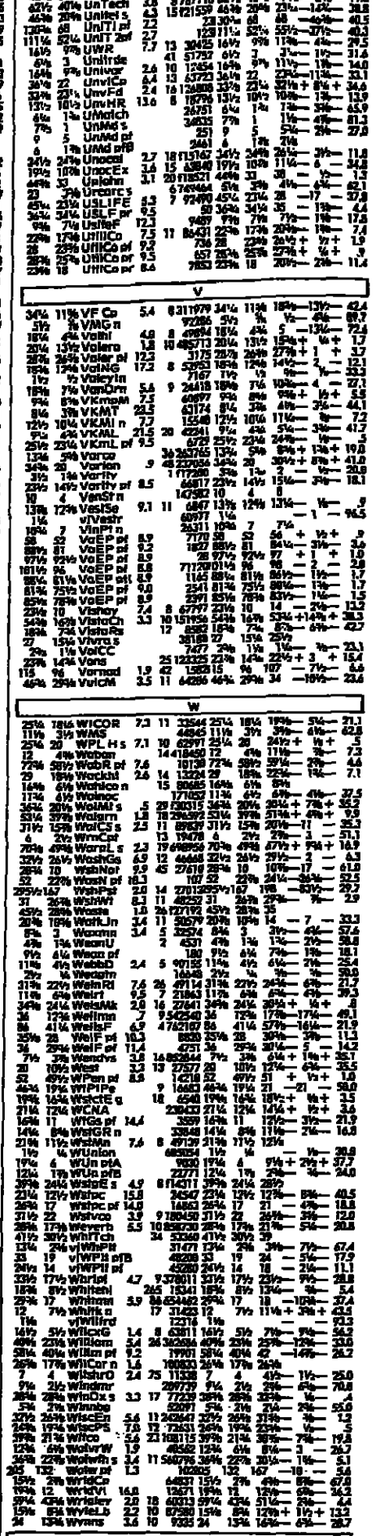








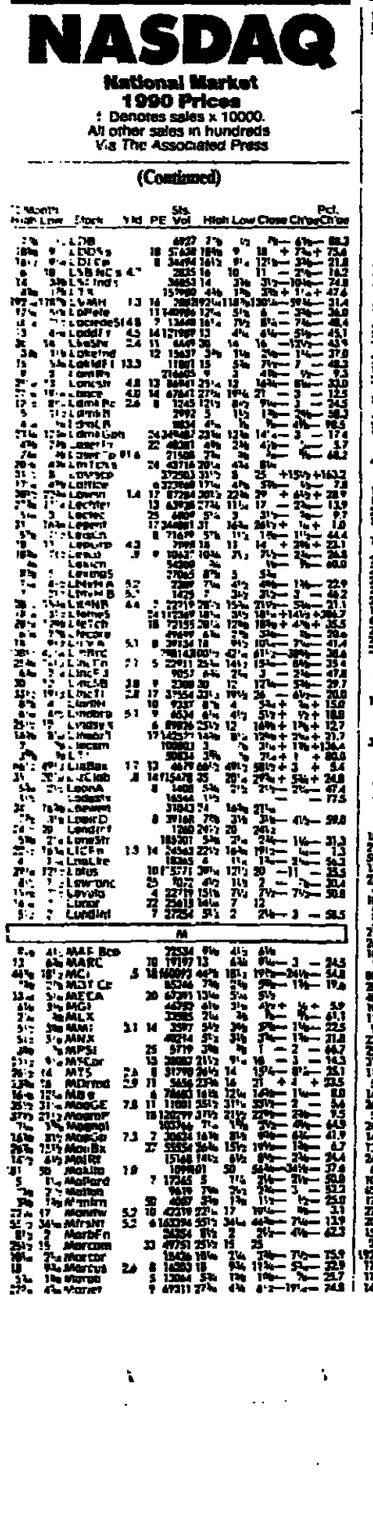


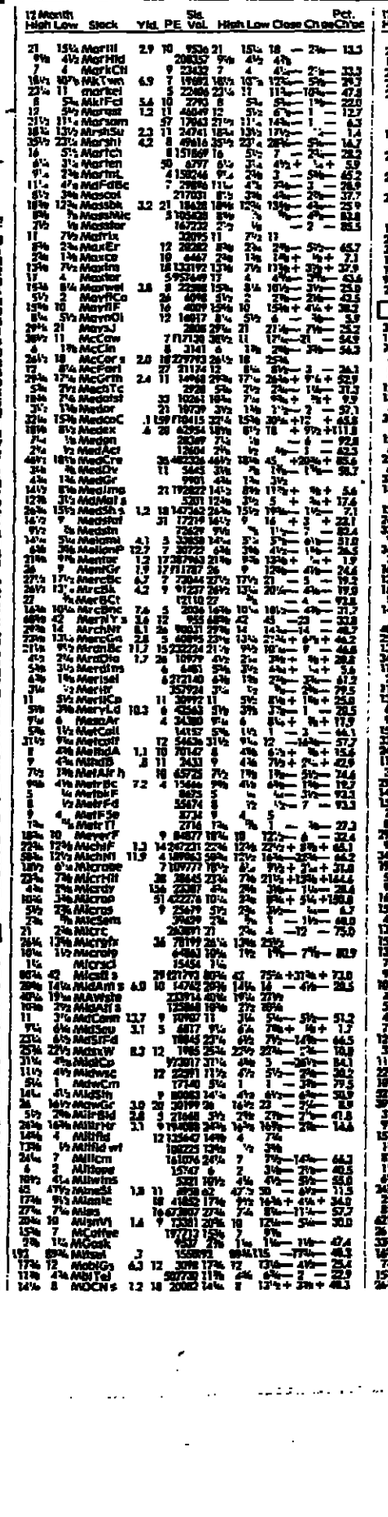


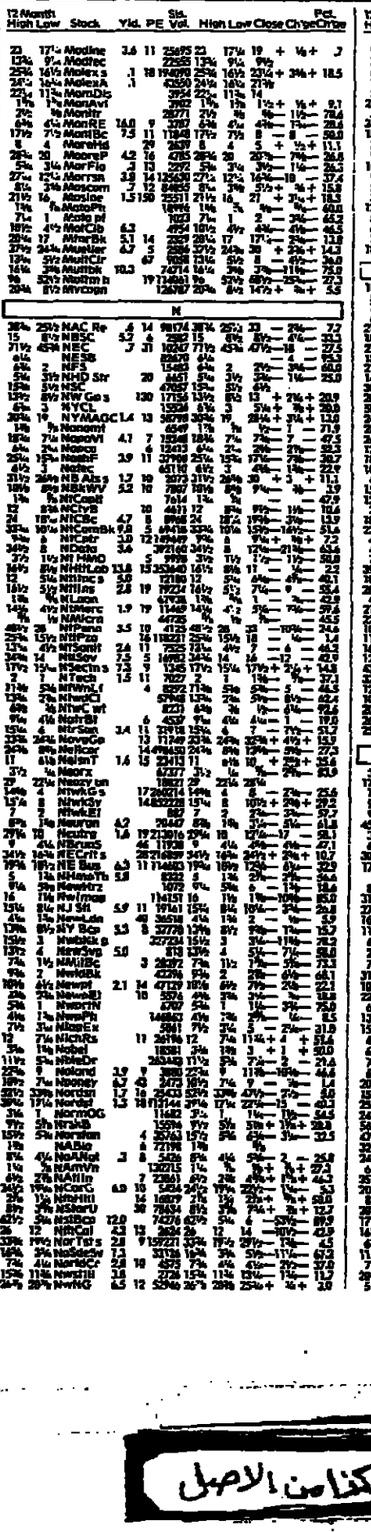
NASDAQ

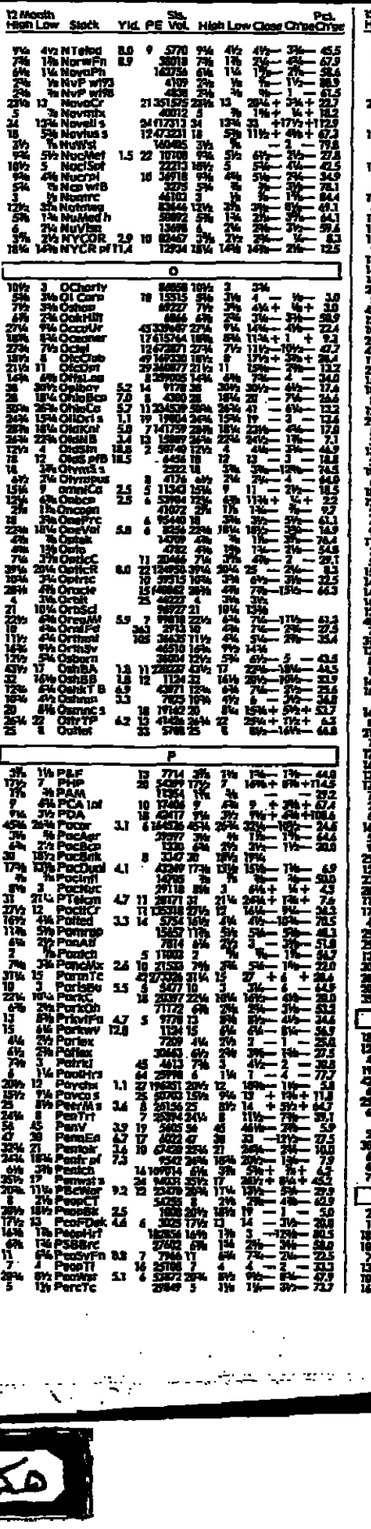
National Market
1990 Prices
*Denotes sales x 10000.
All other sales in hundreds
Via The Associated Press

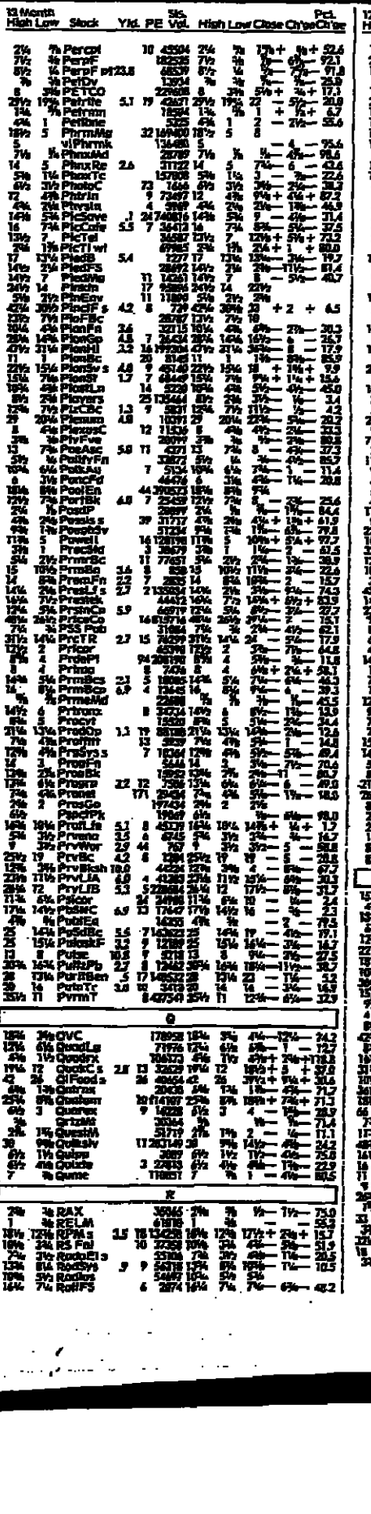
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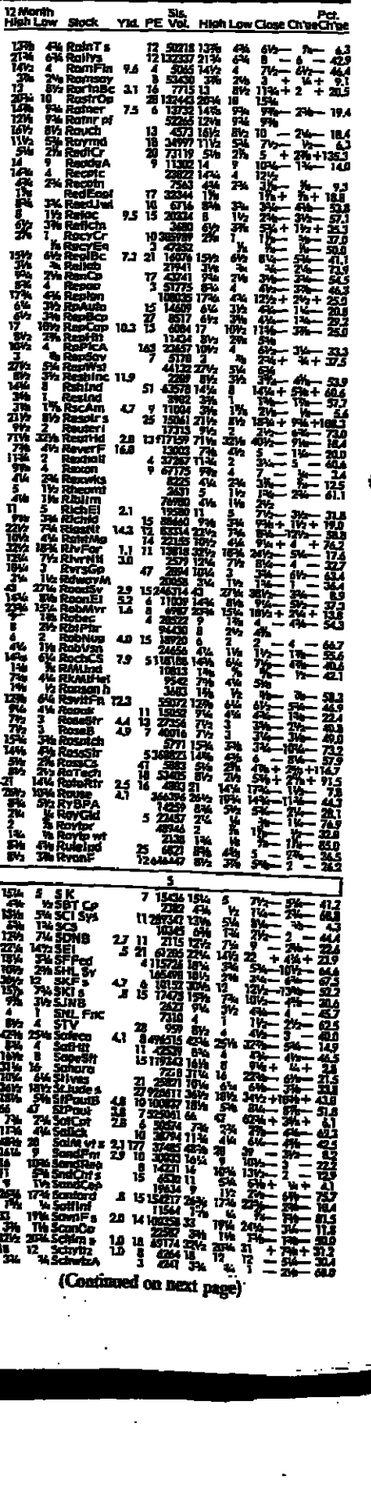












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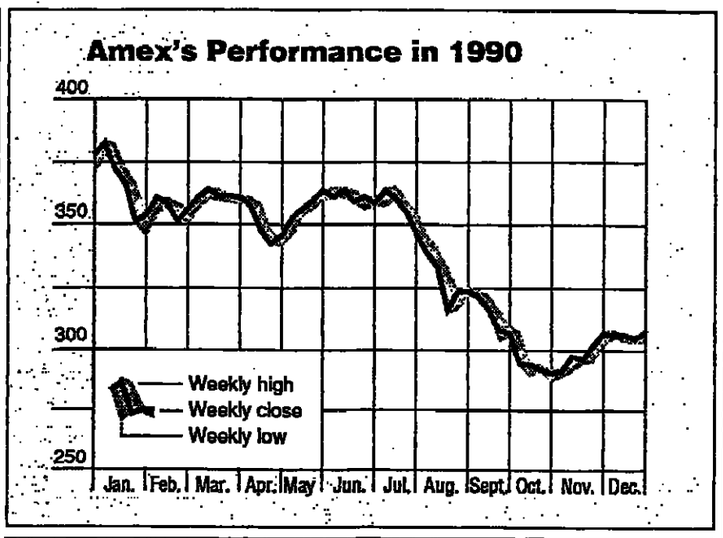
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1990 U.S. STOCK MARKET REVIEW

AMEX

1990 Prices
f: Denotes sales x 10000.
All other sales in hundreds.
Via The Associated Press



Amex's 1990 Gainers and Losers

Common stocks that showed the largest percentage gains and declines in 1990, as calculated by Media General. Excludes stocks that began the year under $5 and includes only one class of stock per company.

Stock	Dec. 31 Close	% Change From '89 Close	Comment
GAINERS			
OEA	$39.75	162.7	Maker of airbag components gained from push for safer cars.
Tech/Ops Sevcon	11.00	72.4	Earnings surged at maker of controls for electric vehicles.
Lazare Kaplan International	13.38	67.3	Profitable diamond merchant attracted new equity and lowers debt.
American Israeli Paper Mills	29.25	65.9	Israeli papermaker saw margins widen on higher sales.
Penril	8.75	64.8	Company enjoyed surge in overseas sales of electronic test instruments.
Epitope	9.75	62.5	Company's saliva-based test for AIDS virus showed promise.
Sierra Health Services	13.75	59.3	Operator of health-maintenance organization profited by focusing on Nevada.
U.S. Bioscience	19.50	57.5	Food & Drug Administration approved company's ovarian cancer drug.
Elan	20.63	52.6	Profitable company acquired rights to lucrative multiple sclerosis drug.
GW Utilities	31.50	52.7	Majority owner offered to buy out public stockholders at premium.
LOSERS			
Price Communications	$0.19	−96.8	Operator of radio and TV stations explored possible bankruptcy filing.
Balfour Maclaine	0.25	−96.5	Third-quarter loss threw trading company into technical default.
NVR	0.31	−93.8	Home builder, hurt by soft market missed December interest payment.
Cenvill Maclaine	0.50	−91.8	Florida home builder wrote down assets and sought debt restructuring.
ECI Environcostmental	0.69	−91.1	Asbestos remover squeezed by overruns and stiff competition.
Everest & Jennings "A"	1.00	−87.5	Red ink forced wheelchair manufacturer to seek debt restructuring.
Income Opportunity Realty Tr	0.69	−87.5	Low rental income created cash problem for real estate investment trust.
Bolar Pharmaceutical	2.38	−87.0	Scandal-ridden drug company recalled products pending Government review.
First Federal Bancorp	0.81	−86.8	Poor capital position resulted in consent agreement with regulators.
AT&E	2.00	−86.7	Paging device company sought cash infusion to operate beyond 1990.

The New York Times

NASDAQ

National Market
1990 Prices
f: Denotes sales x 10000.
All other sales in hundreds.

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1990 U.S. STOCK MARKET REVIEW

NASDAQ

National Market
1990 Prices

†: Denotes sales x 10000
All other sales in hundreds.
Via The Associated Press

(Continued)

12 Month High	Low	Stock	Yld.	PE	Sls. Vol.	High	Low	Close	Ch'ge	Pct. Ch'ge
22	13¼	SusqBn	6.8	7	7578	22	13¼	15¾	- 6¼	- 29.1
18¼	7⅛	SwiftT		9	48164	14½	7⅛	9⅝		
7¾	4¾	Sylvan			25039	7¾	4¾	6½		
8½	5¾	SymTk		10	3305	8½	5¾	6½		
29½	15	Symntc		24	112930	29½	15	26¾	+ 11¼	+ 72.6
13½	1	Symbls s			114975	13¼	1	1½	- 11½	- 90.8
36¾	10⅞	SynOpt s		30	412904	36¾	10½	34¼	+ 21¾	+ 171.3
4½	2½	Synbio			11887	4¾	2¼	2¾	- 1¾	- 40.0
13½	3½	Syncor		27	95207	10½	6½	10	+ 2½	+ 27.0
5¼	⅝	Synrcm			42977	5⅛	⅝	1⅛	- 3⅞	- 77.0
19¼	8¼	Syneron			124983	19½	8½	17¼	+ 4¼	+ 32.7
24⅞	5¼	Syntlct			149748	24⅞	5⅛	7		
22¾	13	Synetic		36	24975	22¾	13	18	+ 3⅜	+ 23.2
1⅛	⅜	Synfrs			28185	1⅛	⅜	⅜	- ⅛	- 57.9
2⅛	½	Synfro			54258	2⅛	½	1½	+ ¾	+ 100.0
25¾	12¼	SySftw s	.9	20	201860	28¾	12¾	22	+ 7⅛	+ 36.7
7½	2⅛	SystCol			57126086	7½	2½	2⅝	- 4⅝	- 60.7
		T								
33¼	16¾	T2 Med			25158264	30¼	16¾	28¾	+ 3¾	+ 15.0
13½	7¼	TBC		11	97726	13½	7¼	12⅛	- ½	- 3.9
17½	9⅛	TCA	1.9	65	94632	17½	9⅞	15	- 2⅛	- 13.0
8	2¼	TCI Int		6	18936	8	2¼	2⅝	- 4⅜	- 60.3
5⅝	2¾	T Cell			74354	5⅝	2¾	2⅞	- 2⅜	- 41.3
20¼	14½	TJ Intl	2.2	9	50449	20½	14½	19	- 5½	- 22.4
7½	4	TPI En			255902	7½	4	5⅛	- 2⅛	- 29.3
14½	9	TSI	1.4	16	12991	14½	9	14	+ 2¼	+ 19.1
9¾	3⅜	TSR		23	8155	4⅞	1⅞	1⅞	- 2⅜	- 55.9
9½	3½	TVX h			43792	9½	3½	9⅝	+ 5⅝	+ 150.0
5⅝	2⅛	TW Hld			514373	5⅝	2⅛	2⅞	- 1⅝	- 36.1
8	2⅛	Talman			2130796	8	2⅛	3⅝	- 4⅛	- 55.6
4	⅜	Tandon			5710401	4	⅜	1⅛	+ 1	+ 123.1
10¼	4	TchDta		8	94321	10¼	4	8¼	+ ½	+ 6.5
14½	7½	Tchnol	4.8	10	11046	14½	7½	9½	- 3½	- 26.9
15¼	7¾	TchCom		7	20288	15¼	7½	8¾	- 2½	- 22.9
1⅞	⅝	TechDv		65	5892	4	1⅝	3¼	+ ⅝	+ 23.8
127	73	Tecum	4.0	14	7163	127	78	85	- 55	- 40.7
26	[illegible]	Telcs		17	19353	36¼	22¾	24	- 4½	- 15.0
16¼	3⅛	Tekelec		12	35657	16¼	8¼	13¾	+ 5¼	+ 61.8
15	7½	Telco		15	167269	15¼	7½	13	+ 1¾	+ 15.6
18⅛	8½	TlcmA s			134999	18⅛	8⅝	13¾	- 4⅝	- 25.9
19¼	9	TlcmB s			6574	19¼	9	13	- 5⅛	- 28.8
7	1	TelCrl			201711	4⅜	1⅛	2⅝		- 8.0
14¼	4¾	Telebit			8111064	14¼	4¾	4⅞		
54¼	31¾	Telecrd	2.4	17	230743	54¼	31¾	45½	+ 5¾	+ 14.5
5⅛	¼	Telmatc			155181	5¼	⅞	1⅛	- 3⅝	- 75.0
		Telmdo			33985	8¼	2¾	5⅛	- 1	- 16.0
⅝	⅛	Telvid			95136	⅝	⅛	⅛	- ½	- 22.2
15½	8⅛	Telcos			4108248	15⅝	8⅝	15	+ 5⅝	+ 60.0
15¼	4¾	Telxon	1		274008	15½	4¾	14⅛	+ 6⅛	+ 76.6
1⅝	⅛	TmpstTc			18667	1⅝	⅛			- 64.5
2⅝	⅛	Temlex			3319	2⅝	1⅛	1⅛	- ¾	- 43.8
44¼	27¼	Tennant	3.4	10	18882	44¼	27¼	35		
35¼	6¼	Teradta			21454996	35½	6¼	12⅝	- 9¼	- 42.8
37¼	6⅛	Terex s	.6	4	74806	27¼	6⅛	9½	- 8⅛	- 47.5
3⅛	1⅛	Termiflx		7	3067	3½	1⅛	2⅛	+ 1	+ 53.3
1⅜	⅜	TermDt			20064	1⅜	⅜	1	- ¼	- 20.0
16¼	9½	Tetra			147007	16¼	9½	14		
13¼	9¼	Tevo	1.6	8	13966	13¼	9¼	11½	- ¼	- 2.1
20½	13¼	ThmMA	3.3	10	1806	20½	13¼	13½	- 6	- 30.8
22¼	15¼	ThmMB	2.8	17	851	22¼	15¼	15¾	- 5¼	- 25.0
27	17	Thmsn	3.8		3649	27	17	22¾	- 3⅞	- 14.6
9¾	4⅜	ThrmAV		163	2317	9¾	4⅜	9⅝	+ 2⅛	+ 39.3
2	⅞	ThouTr			35454	2	⅞	⅞	- ⅝	- 51.9
19	5⅜	3Com		10	111011	19	5⅜	8	- 5⅜	- 41.8
15½	3¼	3D Sys			47759	15½	3¼	3⅝	- 11⅜	- 75.8
⅞	⅝	Tigera		50	58890	⅞	⅝	¾	- ½	- 21.8
19½	5	TimbSf		24	41158	19½	5	6¼	+ ¼	+ 4.2
37½	13	Tocr un			47747	37½	13	36	+ 21⅜	+ 146.2
13	6½	ToddAO	1.4	105	7817	13	6½	7⅛	- 4⅝	- 39.8
72¾	34½	TokioF	.5	28	11919	72¾	34½	47¼	- 25⅜	- 35.4
16½	7½	TokosMd			141225	16½	7½	13		
9¼	4⅞	Tollnd	3.5	10	3508	9¼	4½	4⅞	- 2⅛	- 28.3
22	13½	Tompkn	3.9	10	2064	22	13½	15½	- 5⅞	- 27.5
21⅜	15⅜	Trnk plc	4.4	8	5545	21⅜	15⅜	17⅞	+ ⅞	+ 5.2
17¼	8½	Topps	1.2	16	264229	17¼	8½	16¾	+ 5¼	+ 45.7
4½	2⅛	TorRoy			18408	4½	2¼	2½	- ⅝	- 20.0
3⅛	⅜	TotlEnr			4608	2⅝	⅜	1⅛	- 1⅜	- 56.4
11	5½	TrakAu		10	11828	11	5½	6½	- 1⅞	- 21.2
17	14½	TrnFn	4.1	7	1033	17	14½	14½	- 2	- 12.1
5	1½	Tranin			8698	5	1½	1½	- 1½	- 50.0
3⅝	2¼	TrnLsp		6	4577	3⅝	2¼	2½	- ¼	- 9.1
33½	12⅝	TrnMus		8	42538	33½	12⅝	12⅝	- 12⅛	- 49.3
4⅞	2½	Trnsml		5	11847	4⅞	2⅝	2⅝	- 1⅛	- 45.2
1¼	⅜	Trnsnl			18544	1¼	⅜	⅜	- ½	- 25.0
3⅝	⅜	Trntch			7247	3⅝	⅜	⅜	- 2⅝	- 88.6
16½	10⅞	TrwlBc		6	1572	16½	10⅞	13⅛	- 2⅜	- 15.6
25¼	16½	Trmwck	1.9	10	50183	25¼	16½	23⅛	- 1⅜	- 5.6
3⅜	1⅝	TriadSy		8	96181	3⅜	1⅝	1⅞	- ½	- 22.2
9¼	5½	Tricare		14	51623	9¼	5½	7		
47	24	TricoPd	2.9	567	1992	47	24	34	- 10	- 22.7
20¼	12¼	Trimas s		10	11652	20¼	12¼	13	- 5⅝	- 30.2
11¾	5¾	Trimble			85711	11¾	5¾	9¼		
6⅝	1⅝	Trimed			104112	6⅝	1⅝	3⅛	- 3	- 48.0
6¼	2	Trion	4.0		37584	6¼	2	2¼	- 3	- 57.1
17¾	10½	TrisleBc	5.4	7	1053	17¾	10½	12½	- 4½	- 26.5
19½	11	Trustcos	4.7	7	10934	19½	11	12	- 6¾	- 36.0
28½	23	TrNY	5.8	8	3691	28½	23	25	- 2⅝	- 9.5
6½	⅛	Trsitk			11746	6½	⅛	¼	- 5¾	- 96.4
21¾	17	Trsmk	5.9	6	6222	21¾	17	17⅞	- 3	- 14.6
5½	2⅜	Tseng		18	155650	5½	2⅜	4⅞	+ 1⅛	+ 28.3
11½	6	Tubscp			195615	11½	6	7⅛		
7⅞	5⅜	TuckDr			10607	7⅞	5⅜	5⅞	- 1	- 14.5
⅜	⅛	Tudor			3417	⅜	⅛	⅛	- ⅛	- 66.7
14	6⅛	TuesM		10	16338	14	6⅛	10½	- 3½	- 24.8
27½	14¼	TuscPl	1.5	12	6408	27½	14¼	17½	- 6	- 25.5
27	18½	20Cnin	2.2	9	132202	27	18½	28½	+ 5⅛	+ 22.9
11⅝	2	TwinSt		7	77269	11⅝	2	2⅛		
28⅜	7¼	TycoTy		5	270266	28⅜	7¼	10⅛	- 11⅝	- 52.5
11½	1½	TycoTy wt			6743	13½	1½	2½	- 6⅝	- 72.2
35⅝	22¾	Tyson	.1	17	390680	35⅝	22½	31	+ 6⅛	+ 24.6
		U								
4⅞	3½	UNR	5.4	8	70211	4⅞	3½	3⅞	- 1⅝	- 34.4
1⅛	½	UNR wt			9789	1⅛	½	¾	- ⅝	- 45.0
11½	6½	UNSL	8.3		4365	11½	6½	7½	- 4	- 35.6
5¼	1⅝	USA Bc			15908	5⅝	1½	2¼	- 1⅞	- 43.8
2⅜	1	USMX		9	39966	2⅝	1	1⅜	- ⅝	- 30.3
16	5½	UST Cp	8.7	5	93275	16	5½	7¼	- 8⅝	- 54.6
11¼	6½	UltraBc	5.9	3	1027	11¼	6½	8¼	- ½	- 5.6
6⅞	2⅝	UniMrl	3.3	8	12627	6⅞	2⅝	2⅝	- 3⅛	- 51.3
6⅛	2¼	UnicoA			27074	6⅛	2¼	2⅜	- ⅞	- 26.6
13½	6¼	Unifrce	1.3	12	17704	12½	6⅛	9	- 5½	- 36.5
2	1	Unigen			46773	2	1	1⅛	- ¼	- 18.8
		Unign wt			23959					- 23.5
7⅞	4⅞	Unilab			108129	7⅛	4⅞	5⅝	+ ⅝	+ 10.8
25½	13½	UnBnk	7.6	4	31908	25½	13½	18⅛	- 4⅞	- 20.9
19	9½	UAEn A			264516	19	9½	12⅞	- 6⅞	- 34.2
19	9½	UAEn B			140159	19	9½	12⅝	- 6	- 31.8
23¾	13⅝	UBCol			182290	23¾	13⅝	22⅜	+ 2¾	+ 13.8
13½	9	UBWV	7.4	7	11085	13½	9	10⅛	- 3	- 22.6
16	9¼	UCarBk	4.4	10	16449	16	9¼	13		- 2.7
15⅝	12⅝	UCitGs	6.8	15	23084	15⅝	12⅛	13⅜	- 1⅜	- 9.2
4⅜	3⅜	UnCoast		5	22777	4⅜	3⅛	3⅝	- ⅝	- 17.6
19	13½	UnCosF	3.5	8	6805	19	13⅛	17	- 2	- 10.5
11¼	6⅝	UnFdBc	4.8	7	32905	11¼	6⅝	9⅛	- ⅞	- 8.6
13⅞	6⅞	UFInSC		5	7550	13⅞	6⅞	7½	- 5½	- 42.3
36	28⅜	UFireC	3.8	7	4518	36	28⅜	34⅛	+ 1⅛	+ 4.9
11	1⅛	UGoma			68080	11	1⅛	1⅛	- 5½	- 81.5
24	7⅞	UHltCr	.1	21	665634	24	7⅞	23⅛	+ 11⅛	+ 91.8
18¼	13½	UIdIns		8	5256	18¼	13½	18	+ 2½	+ 16.1
31	23¾	UMoBn	3.0	9	8548	31	23¾	27	- 3¼	- 10.7
13½	7¾	UnNMx	3.0	6	12555	13½	7¾	8¼	- 4	- 32.7
15⅝	9⅝	UtdNwsp	7.3	9	12569	15⅝	9⅝	11⅜	- 3½	- 23.3
11	7¾	USvBk	5.7	8	5458	11	7¾	7¾	- 2¾	- 26.2
27⅝	14⅝	US Bc s	4.9	7	637583	27⅝	14½	20⅛	- 5⅞	- 22.1
11	6½	US Enr		3	62149	11	6½	7⅛	- ½	- 6.6
5¼	2¼	US Facl		8	24350	5¼	2¼	3⅝	- ⅝	- 13.9
1	⅛	US Gold			225362	1	⅛	⅛	- 1⅛	- 89.5
29⅞	9⅞	US HltC	1.2	26	110352	29⅞	9⅞	29⅞	+ 15½	+ 117.7
1¼		US Prc			32567	1¼				- 73.1
38	26¾	US Trst	5.2	27	45498	38	26⅜	31	- 6	- 16.2
47½	19¾	USWNV			241152	42½	19¼	35¼	- 6¾	- 15.9
16¼	7¾	UStatn	4.5	11	105115	16¼	7¾	8⅝	- 7⅛	- 44.5
35⅝	26¾	UnTelev		63	16583	35⅝	26¼	28⅝	- 6½	- 18.0
3½	1	UtdTlrm		4	11180	3½	1	1¼	- 1¼	- 50.0
12¼	3	UnTote		18	10084	12¼	3	3½	- 9⅛	- 72.5
18¾	6½	Unitog		18	44074	18¼	6½	9⅞	- 8⅞	- 49.0
34⅝	24½	Unitrin	1.3		321511	34⅝	24½	30¼		
8⅞	1⅛	Unitrnx		72	74227	8⅞	1⅛	2⅞	- 4⅜	- 60.0
10⅛	6⅝	UnvHlt		11	85695	10⅛	6⅝	9⅝	- ⅛	- 1.4
2½		UnvHld			28821	2½			- 1	- 71.2
5¼	4⅜	UnvInt			5148	5⅜	4⅜	5¼		
35	24½	UnvNtl	2.7	11	882	35	24½	28	- 2	- 6.7
31	23¾	UPenEn	8.1	10	2646	29	23¾	27½		
8½	4½	UronRs		63	24363	8½	4½	5	- 1½	- 23.1
4½	2	UrnR wt			930	4½	2	2		
14⅛	9½	USBPa	1.2	5	4211	14⅛	9½	12⅛	- ½	- 3.8
22½	19⅜	US Bc pf	10.2		1734	22½	19⅜	20⅞	- 1½	- 7.2
13⅝	7⅝	UtahMd		23	178202	13⅝	7⅝	11⅞	+ 1⅞	+ 19.5
		V								
5	1⅝	V Band			33139	5	1⅞	2	- 2½	- 55.6
12½	3	VLSI			453783	12⅝	3	4⅝	- 2⅝	- 39.0
4½	¼	VMS			20137	4½	¼	⅜	- 2⅞	- 92.0
4⅝	⅜	VMS II			31724	4⅝	⅜	⅜		- 91.3
5⅝	¼	VMS III			22914	5⅝	¼	⅞	- 3⅛	- 82.8
6⅝	1⅝	VMS SL	15.1		54523	6⅝	1⅝	3⅛	- 2	- 38.6
5½	⅝	VMS SL2			63644	5½	⅝	1	- 3⅜	- 77.1
2⅝	⅞	VMX		112	140184	2⅝	⅞	1	- 1	- 50.0
14⅛	2⅝	VSB Bc	8.0		20096	14⅛	2⅜	4	- 8⅜	- 67.3
9⅝	7	VSE	3.5	7	1780	9⅝	7	8	- ½	- 5.9
17⅝	12	VWR	5.6	14	13644	17⅝	12	14⅜	+ ½	+ 3.6
17	9⅛	Valcom		8	4731	17	9¼	12⅞	+ 1⅝	+ 16.3
4⅞	⅝	ValidLg			422384	4⅞	⅝	1⅛	- 2⅞	- 71.2
32¾	16½	Vallen s		20	10508	32¾	16½	32	+ 14	+ 77.8
25½	17	ValyBc	6.3	5	18242	25½	17	17⅝	- 7	- 28.3
34	12⅛	VlyCap	5.1	5	22033	34	12⅛	15⅛	- 18	- 53.3
3⅛	⅝	ValFSL h			100812	3⅛	⅝	⅞	- 2⅛	- 72.0
25½	14⅛	VlyBcp	7.7	7	12044	25½	14⅛	17⅝	- 7	- 28.3
17	8½	ValNtl			495062	17	8½	10⅛	- 1⅞	- 15.5
6⅞	4	ValICor		6	6412	6⅞	4	4	- 1⅜	- 25.6
25	9¼	Valmnt	2.2	7	95174	25	9¼	11⅝	- 7⅛	- 38.0
25¼	16	ValLn	3.8	9	6805	25½	16	16	- 8	- 33.3
16	6⅛	ValMer		13	45602	14	6⅛	11	- 1½	- 12.0
16	7½	VanFed		13	12067	16	7½	15⅛	+ 3	+ 24.5
35⅝	12⅛	VardCl s		63	247993	35⅝	12⅛	23⅛	- 11⅞	- 33.1
8⅝	6¼	VREF I	9.9		6727	8⅝	6¼	7	- 1½	- 17.6
7½	5¾	VREF II	5.8		1799	7½	5¾	6¼		
4	1⅛	VoriCre	1.5	10	3770	4	1⅛	2⅛	- 1⅛	- 30.0
7⅝	4⅝	Varifm		11	32522	7⅝	4⅝	5⅝	- 1⅛	- 16.4
20¼	11	Varlen	4.9	8	16919	20¼	11	12¼	- 6	- 32.9
9⅝	4¾	VaiaBd		33	49270	9¾	4¾	6¼	+ ¼	+ 4.2
17¾	6¼	Vencor		45	63389	17¾	6¾	14⅝	+ 8½	+ 103.0
1⅝	⅜	Ventrex			47382	1⅝	⅜	⅜	- ⅛	- 25.0
10¼	5⅝	VenCtv		9	5012	10¼	5⅝	6¼		
11	5½	Venturn			1551	11	5½	8⅛	- 2⅜	- 23.9
26	5¼	Verline			285436	26	5⅝	9		
20	6¾	VtFin	8.6	4	24662	20	6¾	7	- 10¾	- 60.6
15¼	8½	Verso	2.3	9	20435	15¼	8½	10¼	- 2¼	- 18.0
6⅞	4	VertexC		9	25570	6⅞	4	5½	- ⅝	- 10.2
4	1⅝	Vestar			22258	4	1⅝	3	- ¾	- 20.0
17⅞	7	Vicor			33173	17⅞	7	17½		
30	6½	Vicorp		13	257616	30	6½	15⅝	- 1½	- 8.7
10½	5⅞	VictBn			11326	10½	5½	6½	- 3½	- 35.0
5¼	1	VictCr			14727	5¼	1	1¼	- 3¾	- 75.0
6½	3⅛	VidDsp		30	12532	6½	3⅛	4⅝	- 1⅝	- 27.7
3¼	1⅛	Videcrt			45777	3¼	1⅛	2⅛		
13¼	2¾	Vidmrk		3	52698	13¼	2¾	3¾		
2⅞	⅜	Vie deFr			38826	2⅞	⅜	⅜	- 1¼	- 66.7
5⅝	2½	VieloBc			1214	5⅝	2½	4		
15	8⅝	Viking		13	59655	15	8⅝	11⅝		
10⅛	5⅝	VillFinl			24501	10⅛	5⅝	6	- 3⅞	- 39.2
16	7½	VilSpM	1.9	7	5201	16	7½	8	- 6¾	- 45.8
6⅝	1⅝	Virotek			35819	6⅝	1⅝	2	- 4	- 66.7
5⅝	1⅞	VaBch	7.5	1	40974	5⅝	1⅞	2⅝	- 2⅝	- 52.8
	⅜	VistaOr			57104		⅜	½		- 5.9
15¾	8¼	VitalSgn		28	22559	15¾	8⅝	15		
17¼	5⅝	Vitalnk		9	560110	17¼	5⅝	8⅝	- 7¼	- 45.7
25¼	9¼	Vivigen		31	58201	25¼	9¼	12½	- 9½	- 43.2
14¼	5½	VoltInf		35	29125	14¼	5½	6¼	- 6½	- 51.0
74⅝	35½	Volvo	5.7	5	19022	74⅝	35½	37¼	- 34⅝	- 48.4
		W								
34½	23½	WD 40	6.8	13	22908	34½	23½	25⅝	- 7⅜	- 22.5
19¼	14¼	WLR Fd	2.1	10	8918	19¼	14¼	15¾	- 2⅜	- 15.3
24⅛	1⅞	WPP Gp	40.4	1	96788	24⅛	1⅞	2⅜	- 18⅝	- 87.1
7½	3½	WSMP			5808	7½	3⅛	3½	- 3	- 46.2
11½	¾	WTD			112811	11½	¾	1	- 9½	- 90.5
10¼	3⅞	WalnBk			11788	10¼	3⅞	3½	- 6¾	- 65.9
16½	8½	Walbro	4.4	17	7586	16½	8½	9	- 7½	- 45.5
8¼	7¼	Walshr	2.7	5	2491	8¼	7¼	7½	- ½	- 6.3
7	3¼	WallCp	13.7		13196	7	3¼	3½	- 2¾	- 44.0
2⅝	⅝	WrhseC			12506	2⅝	⅝	⅝	- 2	- 69.6
6⅞	1¾	Warntc s		34	466262	6⅞	1⅝	2⅝	- 3⅞	- 60.0
4½	¾	Warren			18009	4½	¾	¾	- 2⅝	- 77.8
8¼	2	WshBcp			8122	8¼	2	2⅝	- 4⅞	- 67.0
22	17⅝	WashEn	6.8	17	122363	22	17⅝	19⅝	- 2¼	- 10.2
30⅞	20½	WFSL s	4.1	9	124882	30⅞	20½	25½	+ 1½	+ 6.3
14	6	WshFOr	3.0	10	17847	14	6	10	- 3½	- 25.9
4½	⅝	WshFDC		1	8763	4½	⅝	⅝	- 3⅛	- 81.3
19⅝	8⅝	WMSB	3.6		252073	19⅝	8⅝	12⅛	- 6½	- 34.9
45⅝	26⅝	WMSB pf	10.9		19879	45⅝	26⅝	34½	- 10¼	- 22.9
2¼	⅜	WshSvg		7	2683	2¼	⅜	⅝	- 1¼	- 66.7
10	2⅞	WshScl	5.7	175	17172	10	2⅞	3½	- 6¼	- 64.1
9⅝	3	WatfdW	3.4		12930	9⅝	3	3½	- 4½	- 56.3
5¼	3	Watrnse	3.8	8	7373	5¼	3	4	- ½	- 11.1
5¼	2	WatrIn	5.2		3542	5¼	2	2⅝	- 1⅝	- 40.3
43½	28	Wattsind	.5	17	55195	43½	28	37½	+ ⅝	+ 1.7
44¼	29⅝	WausP	1.8	12	22424	44¼	29⅝	41½	+ 7¼	+ 21.2
25½	14½	Waver	2.3	20	4069	25½	14½	17¼	- 7¼	- 29.6
4¾	1⅝	Wavetk			28229	4¾	1⅝	1⅞	- 2⅛	- 53.1
10⅝	4¼	WbstFn	9.5		24427	10⅝	4¼	5½	- 3¾	- 40.5
2⅞	⅝	Wegenr			11591	2⅞	⅝	⅜	- 2⅜	- 86.4
19⅝	11½	WeisTr	3.5	10	5250	19⅝	11½	11½	- 7	- 37.8
27¾	4⅞	Wellek		7	322959	27¾	4⅞	7¼	- 9	- 55.4
16¾	4¼	Wellgtn	4.4	6	7380	16¾	4¼	4½	- 11¾	- 72.3
22½	10¼	Werner	.7	11	49276	22½	10¼	17	- 4½	- 20.9
33	26	Wesbnc	4.6	8	1607	33	26	28½	- 1¼	- 4.2
3¼	¾	WstCst		5	11048	3¼	¾	1⅛	- 1⅞	- 62.5
8½	5	WtMass	4.5	8	4645	8½	5	6¾	+ ½	+ 8.7
4½	1¾	WNewtn	4.6		17988	4½	1¾	3½	- ½	- 12.5
25⅝	17⅝	WstOne	3.7	9	58394	25⅝	17⅝	24	+ 1¼	+ 5.5
13	3¾	Wstcot		59	39144	13	3¾	4⅞	- 5⅜	- 52.5
9	1	WstCap			116434	9	1	2	- 6¾	- 77.1
4½	⅝	WnFncl			6731	4½	⅝	⅞	- 3	- 77.4
17	13¼	WFdPR	6.0	6	2035	17	13¼	13¾	- 2⅝	- 16.5
21½	14½	WnWst s		23	67530	21½	14½	19¼	+ 3¼	+ 20.3
7	1⅞	WMicTc			16598	7	1⅞	2½	- 2⅞	- 53.5
19⅞	9½	WstnPb		14	166532	19⅞	9⅝	10½	- 9⅛	- 46.5
52¼	16¾	Wstmrk		15	404165	52¼	16¾	24½	- 21½	- 46.7
27½	16	WmorC	1.5	12	37765	27½	16	20⅝	- 2	- 8.8
11⅜	4¼	Weston		42	53325	11⅜	4¼	6¼	- 2⅝	- 29.6
10	3¼	WstaBc			11618	10	3¼	3⅞	- 5⅛	- 56.9
9⅝	1½	WstwOn			269892	9⅝	1½	1⅞	- 7	- 80.0
⅛	⅛	Wstwo wt			4869	⅛	⅛	⅛		
19	7¼	WetSeal		10	154086	19	7¼	7⅜		
35½	24⅝	Wetfro	2.2	14	95862	35½	24⅝	27½	- ⅝	- 2.1
14½	11	WetrPr	4.1		2708	14½	11	14½	+ 2⅝	+ 23.4
32	26½	Weyco s	2.2	10	1412	32	26½	27	- 1½	- 5.3
6¼	4⅝	Whart			10688	6¼	4⅝	4⅞	- ⅜	- 7.1
25⅞	11	Whlclub		25	238858	25⅞	11	20⅝	+ 5	+ 32.3
5⅛	1½	Wicat		28	257185	5⅛	1½	3⅝	+ 2⅛	+ 125.0
3¾	1¼	Wiland		7	13875	3¾	1¼	2⅝	- 1⅝	- 37.5
53½	25⅞	WilyJ A	3.7	45	9240	53½	25⅞	30	- 23	- 43.4
57½	29¾	Willamt	3.7	6	100553	57½	29¾	43	- 12	- 21.8
16	14½	WillW	4.7	8	749	16	14½	14½	- ½	- 3.3
12¼	4	Wilfml		7	8107	12¼	4	4⅛	- 8⅛	- 66.3
28¼	12½	WmSon s		19	97630	28¼	12½	20	+ 1⅜	+ 7.4
45	30¼	WilmTr	3.6	11	72569	45	30¼	40	+ 2½	+ 6.8
21½	14⅝	WiserO	2.6	27	53121	21½	14⅝	15⅛	- 5⅞	- 28.0
6⅝	5	WolfFn			34357	6⅝	5	5	- 1¼	- 20.0
19	11¼	Wolohn	2.2	7	22172	19	11¼	13	- 3½	- 21.2
14⅝	3⅝	WlvExp			340789	14⅝	3⅝	3½	- 9⅝	- 73.1
25½	10½	WlvEx pf	20.9		44659	25½	10½	10⅝		
8¼	1⅛	Wolv wt			61238	8¼	1⅛	1½	- 6¼	- 80.6
17¾	12	Woodhd	4.8	9	15276	17¾	12	14¼	- 1	- 6.6
1½	⅛	Wordsf			109172	1½	⅛	1⅝	- ¾	- 26.1
12⅝	8⅝	WrkCap	1.7		8213	12⅝	8⅝	9⅝		
4½	⅜	Wkmen			6571	4½	⅜	⅜	- 3⅝	- 90.6
24⅞	18⅞	Worthg	2.6	17	191277	24⅞	18⅞	22⅞	- ⅛	- .5
14¾	5½	Wyman	12.5		107752	14¾	5½	6⅝	- 8⅛	- 56.8
19¾	13¼	WyomNt		11	2932	19¾	13¾	18¾	+ 3½	+ 23.0
		X								
15¾	6	XL Dta		5	132857	15¾	6	6½	- 4¼	- 39.5
26½	15	XOMA			727167	26½	15	20½	- 1⅛	- 5.7
14½	8	XeRite	1.1	16	19368	14½	8	11	- ¾	- 6.4
4¼	1	Xicor			222074	4¼	1	1¼	- 3	- 70.6
17	9½	Xilinx			212071	17	9½	13⅝		
8	6¼	Xplor	2.1		14547	8	6¼	7⅝	+ ⅝	+ 9.6
8½	2¾	Xylogic			17189	8½	2¾	3	- 4⅞	- 61.3
3	⅛	Xyvsn			29458	3	⅛	⅞	- 1⅝	- 65.0
		Y								
22	17⅞	YonEnS	7.2	13	38575	22	17⅞	21⅛	- ⅜	- 1.7
31¼	18¾	YelowF	3.5	30	317567	31¼	18¾	26⅛	- ¼	- .9
13¼	2	YesClth		7	23572	13¼	2	3¾	- 3¾	- 50.0
16⅝	8	YorkFn	7.8	4	11966	16⅝	8	9⅝	- 6⅝	- 40.9
16⅞	7	YorkRs		11	188580	16⅞	7	8⅞	- ⅛	- 1.4
		Z								
15	11	Z Sevn	4.0		4113	15	11	12⅝	- ⅞	- 6.7
25¾	7¼	Zeos		20	47288	25¾	7¼	17½	+ 9¾	+ 125.8
3⅛	1⅝	Zeus			2835	3⅛	1⅝	1⅝	- 1⅛	- 43.8
17½	10	Ziegler	5.0	10	1463	17½	10	10½	- 6¼	- 37.3
31¾	24½	ZionBc	4.5	8	21602	31¾	24½	31¾	+ 4	+ 14.4
7¼	2¼	Zitel		8	41889	7¼	2¼	4⅝	+ ⅞	+ 26.9
3	⅜	Zycad			140284	3	⅜	⅞	- 2⅜	- 72.9
6	4	Zygo		11	6642	6	4	4⅝	+ ⅝	+ 16.7

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Wall Street Sobers up to an Austere Era

By Kurt Eichenwald
New York Times Service

NEW YORK — Wall Street's painful shift from the takeover era to the hangover era has not ended, but the U.S. securities industry last year finally started making the tough choices to transform itself into a smaller and healthier industry.

The change under way goes well beyond laying off thousands of workers and cutting back salaries and bonus payments for Wall Street's survivors.

Financial executives and analysts see a reordering of their industry, with investment houses adopting new strategies and attitudes.

The Wall Street houses, the executives and analysts predict, should emerge from their difficult times as smaller and more specialized firms.

Each will choose its strengths and then focus on those businesses — retail brokerage, investment banking, foreign exchange or whatever.

More and more firms are likely to cooperate by forming joint ventures to save costs, such as merging the back-office clerical work.

And the logic of joint operations is expected to go even further with stronger firms combining with weaker ones, thus reducing the number of brokerage houses.

Moreover, financial executives see the Wall Street attitude toward their basic role changing.

In the heady 1980s, deal-making was all — engineer a takeover, collect the multi-million-dollar fees and get on to the next deal.

But with the takeover binge over, Wall Street firms are returning to their roots to focus on the traditional investment banker's role of serving as a trusted adviser to corporate clients.

"Wall Street is probably coming back to a basic reality from the insanity of the '80s," said Felix Rohatyn, an investment banker with Lazard Freres & Co.

"It is supposed to provide a service and not just sell a product."

In 1991, the financial community enters its fourth year of recession, a collapse that dramatically began with the 1987 market collapse.

The troubles intensified last year, sometimes frighteningly so, as one firm after another collapsed or teetered on the brink of insolvency.

Essentially, with several top firms requiring bailouts from their parents in 1990, the financial advisers for America went bankrupt.

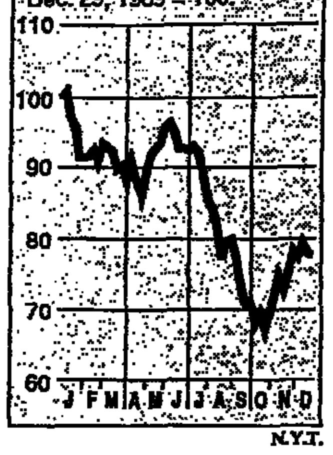
Today, the American securities industry employs about 60,000 fewer people than it did before the collapse, putting it at about 200,000 people, close to the level of employment in 1984.

But industry executives say that the years of cutbacks are likely to continue in the early 1990s, with thousands more layoffs required for financial reasons, and improving technology making large numbers of jobs obsolete.

Although Wall Street firms have been trimming their operations for years, the fundamental change began in earnest last year, as Street executives shelved their egos and optimistic expectations.

Over the last year, business principles preached by Wall Street firms to their clients during the 1980s were finally applied to themselves: Prune back excess capacity, limit perquisites and focus on core businesses.

Financial Stocks
Relative performance of the Big Board's financial index. Dec. 29, 1989 = 100.



N.Y.T.

"What's going on right now on Wall Street is a change that is very much structural and not cyclical at all," said Thomas Carroll, the director of the securities industry in New York for KPMG Peat Marwick, the accounting firm.

"The Wall Street that is rebuilt after this hurricane has gone through is going to be a much different kind of an animal than we have seen in the past."

Most Wall Street executives insist that the new order will be more healthy for the securities industry and the nation's economy in the long run.

"There is excess capacity and these adjustments must happen," said James D. Robinson III, the chairman and chief executive of the American Express Co., which owns the firm that is now named Shearson Lehman Brothers Inc.

"But as they do, there will be a healthier, sounder money and capital market environment and the institutions will be better off for it."

Indeed, analysts say the painful retrenchment is preparing the industry to grow again when the American economy and its financial markets strengthen.

"These layoffs are certainly painful and disruptive to a lot of people's lives, but what is left after the pruning is still very substantial," said Samuel L. Hayes III, a professor of investment banking at Harvard Business School. "The firms are protecting the seed corn for the next upturn."

The globalization of the world's main financial markets and new competition from commercial banks are forcing change as well.

The globalization trend, analysts say, is likely to result in more links between U.S. and foreign firms, such as between Crédit Suisse and CS First Boston.

And several money center banks, such as J.P. Morgan, Citicorp and Bankers Trust, are expressing eagerness to expand further into the securities business. As the likelihood for global financial liberalization grows, the possibility of larger competition from such institutions is becoming more tangible.

In 1990, the view that the securities industry is unavoidably destined for sweeping change became widely, if grudgingly, accepted on Wall Street.

Few senior brokerage executives now speak about being saved by a market rebound, as they had in earlier years, and returning to the fast-money days of the 1980s.

"What everyone has caught onto this year is that the 1980s were the exception," one senior investment banker at a large firm said. "This is what the business can really be like, for an extended time."

The acceptance of the true depth of Wall Street's problems came after it received one sharp shock after another last year.

At the beginning of the year, Drexel Burnham Lambert Inc., the powerhouse of 1980s, disappeared from Wall Street's radar screen overnight, filing for protection from its creditors.

Other firms, including Shearson Lehman Hutton Inc., now Shearson Lehman Brothers Inc., and First Boston Corp., faltered badly, requiring bailouts by their corporate parents.

Prudential Bache Securities Inc. also needed an end-of-the-year capital infusion from its parent, Prudential Insurance Co. of America.

"Drexel was a watershed event, but it was not isolated," said Daniel P. Tully, president and chief operating officer of Merrill Lynch & Co.

Merrill was among a number of firms, including Prudential Bache and Shearson, that were forced to take losses of hundreds of millions of dollars to pay for restructurings of their businesses to overcome mistakes of the 1980s.

The troubles showed clearly on the bottom line. Through June, profits for all members of the New York Stock Exchange barely broke $200 million, which a few years ago would not have been considered a decent-sized bond issue.

By the end of September, profits had fallen even further to just $22 million, less than some individual bonuses paid by Drexel in 1989.

The steady stream of bad news shook Wall Street executives out of their confidence that they could continue to pay high fixed costs for real estate and employees in the hopes that market conditions would improve.

Still, the structural changes needed to allow most firms to operate profitably have apparently just begun.

Productivity levels per employee are about $10,000 lower than the peak levels for core securities revenue, and while transaction volume has declined significantly, back-office costs have not, according to Booz Allen & Hamilton Inc., a management consultant.

But several firms have decided what they cannot afford to do. Prudential Bache abandoned much of its failed investment banking effort, as well as risk arbitrage.

Shearson began to combine its huge back office operation with another firm to decrease costs.

And firms that had charged into once juicy businesses such as high-yield "junk bonds" beat a quick retreat.

"Wall Street is saner, and it is not as ego-driven as it was," said George L. Ball, the chairman of Prudential Bache. "Firms such as ours are more concentrated on the things that they do to competitive advantage."

The turmoil on Wall Street has also brought a new focus on nurturing stable relationships with corporate clients — a sharp break with the prevailing mentality of the 1980s.

In a speech to securities industry professionals late last year, William H. Donaldson, the new chairman and chief executive of the New York Stock Exchange, said that clients of the firms were expressing dissatisfaction with the service they received in recent years.

"They want us to get back to basics," Mr. Donaldson said.

Indeed, Wall Street executives said the industry failed to remember client needs in the 1980s.

"There was not enough focus on clients at too many firms," Mr. Tully said. "There were too many with transactional, short-term one-shot approaches. Some of that short-term thinking hopefully will be set aside and the world will come back to sanity and understand the underlying principles and credos of our business."

WHO DISCOVERED THAILAND?


Christopher Columbus


Captain James Cook


Sir Francis Drake


Ferdinand Magellan


Billie-Jean and Chuck Strodle

Give up? Well, it was Billie-Jean and Chuck Strodle from Sioux Falls, U.S.A. in 1990.

Their first and perhaps most remarkable discovery was Thai's Discover Thailand Ticket. This occurred early one February morning only a few hundred yards from home base in Sioux Falls.

Chuck's eagle eye spotted it at their local travel agency.

It lets you to make four separate flights to any of the 24 destinations in Thai's internal network at a remarkably low rate. And you can add up to four more at very little extra cost.

It's the perfect way to discover Thailand.

The only stipulations are that you use the ticket within a 60 day period from the day of your first domestic flight; that you purchase it before arriving in Thailand; and that you use it before December 31, 1991.

It was the breakthrough they were looking for. However, there still remained the burning question – which direction to set off in? Billie-Jean, self-appointed navigator, took the challenge in her stride.

Eschewing a compass, she retired to bed early one night with a mug of hot chocolate, a jar of cookies and Thai's Discover Thailand brochure.

Bingo! An itinerary was hatched. Two weeks later they set off, eating, drinking and snoozing their way on Thai International, until they arrived at their launching point – Bangkok. The rest is history.

Chuck parasailing in Phuket towed behind a boat. Billie-Jean sailing around the shops in Bangkok with Chuck in tow.

Chuck's remake of 'Bridge on the River Kwai,' starring Billie-Jean, now the talk of the local Bridge Club.

A spot of shooting – down the rapids of the Mae Kok River; and hunting – for bargains in hundreds of local Thai markets.

We could go on and on. They did. For 60 days, in fact.

At the end of which they had discovered that in Thailand money still goes a very long way. Especially with Thai's Discover Thailand Ticket.

Thai
We reach for the sky.



EXTENDED THROUGHOUT 1991. ONLY US$219.

هكذا من الاصل

هكذا من الأصل

1990 U.S. STOCK MARKET REVIEW

MUTUAL FUNDS

1990 Prices

Via The Associated Press

NEW YORK (AP)—The following table compiled from quotations supplied by the National Association of Securities Dealers Inc. Previous NAV is from last year or inception of trading if less than a year.

12 Month High Low Stock	High	Low	Close	Ch'ge	Pct. Ch'ge
[illegible]					

Leading Underwriters

Managing underwriters of corporate securities, ranked by dollar amount raised on new issues sold in the United States for 1990, with full credit given to the lead manager.

Manager	$ Amount (in millions)	Issues	% of market	Year-ago rank
Merrill Lynch	$55,752.8	726	17.6	1
Goldman, Sachs	40,743.2	474	12.9	2
First Boston	32,935.0	524	10.4	3
Salomon Brothers	32,376.3	373	10.2	4
Morgan Stanley	31,272.4	325	9.9	5
Kidder, Peabody	21,435.3	660	6.8	10
Lehman Brothers	20,331.9	444	6.4	6
Bear, Stearns	20,010.6	538	6.3	7
Prudential-Bache	13,449.5	335	4.3	9
Donaldson, Lufkin & Jenrette	6,172.7	294	2.0	11

Source: IDD Information Services

The New York Times

MONDAY SPORTS

Villanova Regroups to Leave No. 3 Syracuse at a Loss

The Associated Press

Chris Walker's memory didn't fail him and neither did his aim, much to the chagrin of Syracuse, which fell from the ranks of the unbeaten with a 76-66 loss to Villanova.

"This is the game that got us started last year," the junior guard said Saturday after scoring 21 points as the Wildcats upset the third-ranked Orangemen at the Carrier Dome in Syracuse, New York.

COLLEGE BASKETBALL

It was Villanova's third straight regular-season victory over Syracuse (13-1 and 1-1 in the Big East); last season, the Orangemen were handed their worst-ever conference loss in the dome, 93-74.

"It was just a matter of time before we got rolling and, fortunately, this was the game that got us started," said Walker.

Syracuse's loss leaves only Nevada-Las Vegas and Ohio State with unbeaten records among the nation's top 25 college teams.

Villanova's coach, Rollie Massimino, called it a "gigantic win" for his squad (7-5, 1-2), which had lost four of its last five games. "That was our best game," he said.

The Orangemen were puzzled.

"I can't really tell you what it is," said forward Dave Johnson, who led Syracuse with 26 points. "They just must have our number."

No. 4 Arizona 84, Washington State 69: Brian Williams scored 11 of his 18 points in the second half to rally Arizona (11-2, 1-1 Pac-10) from a 39-38 halftime deficit. Reserve guard Khalid Reeves scored 11 of his 15 points in the final 20 minutes in Pullman, Washington.

No. 5 Indiana 99, Northwestern 58: Damon Bailey scored 17 points as the Hoosiers (14-1 overall, 2-0 Big Ten) won their 19th straight over Northwestern at home.

No. 6 Ohio State 67, Michigan 57: Jim Jackson, who took just four shots in the first half, scored 10 of his 16 points down the stretch for the Buckeyes (12-0, 2-0 Big Ten). He and Mark Baker each scored four points during a decisive 10-2 surge.

Michigan (7-5 overall, 0-2 Big Ten), which had not lost at home to Ohio State since 1984, was led by Kirk Taylor with 15 points.

No. 7 North Carolina 82, Notre Dame 47: Hubert Davis made three of four three-pointers during a 17-5 surge to start the second half and North Carolina won its ninth straight. Rick Fox scored 22 points to lead the Tar Heels (11-1) in East Rutherford, New Jersey.

No. 18 Virginia 81, No. 8 Duke 64: Virginia (9-2) took advantage of sloppy play by Duke (10-3), which turned the ball over 14 times while shooting 27 percent in the first half of the Atlantic Coast Conference opener for both in Charlottesville, Virginia. The Cavaliers got 21 points from Anthony Oliver.

No. 9 St. John's 75, Boston College 68: Malik Sealy scored 15 of his 19 points in the second half as St. John's (10-1, 1-1 Big East) rebounded in New York from its only loss this season. Rob Werdann scored 18 points for the Redmen, beaten Wednesday night in Syracuse.

No. 10 UCLA 88, Louisville 81: In Los Angeles, Don MacLean scored 26 points and Darrick Martin led an 11-0 second-half run with five points for the Bruins (12-1), off to their best start since the 1982-83 squad went 13-1.

No. 12 Connecticut 81, No. 11 Pittsburgh 76: Scott Burrell, who scored 16 points, made a go-ahead three-pointer with 58 seconds left as the Huskies (10-1, 2-0 Big East) won their seventh straight and 21st in a row at home.

No. 13 Oklahoma 64, James Madison 61: Jeff Webster scored 22 of his 24 points in the second half, two on a key tip-in with 11 seconds left, as Oklahoma survived a cold-shooting first half in Landover, Maryland.

No. 15 Georgetown 73, Seton Hall 65: Dikembe Mutombo scored 16 points and teamed with Joey Brown on an 18-0 scoring run for Georgetown in the second half of the Big East opener. Charles Harrison led Georgetown (9-2) with 18 points in Landover, Maryland.

No. 16 Kentucky 93, No. 14 LSU 80: Two three-pointers by Richie Farmer began a streak of five in the closing minutes as the Wildcats (10-2, 2-0 Southeastern Conference) overcame 28 points and 17 rebounds by Shaquille O'Neal in Lexington, Kentucky.

No. 17 East Tennessee State 89, Appalachian State 70: Keith Jennings had 22 points and 12 assists to lead the Buccaneers (10-1) — off to their best start ever — in the Southern Conference opener for both schools in Johnson City, Tennessee.

No. 19 Nebraska 74, Kansas State 69: Jose Ramos made three free throws in the final 12 seconds as the Cornhuskers overcame a seven-point halftime deficit to begin Big Eight play in Manhattan, Kansas with their 12th straight victory. It is Nebraska's best start in 78 years.



Michael Okoniewski/The Associated Press

Greg Woodard, top, hugged Villanova teammate Chris Walker after the upset.

No. 22 Iowa 79, No. 25 Michigan State 66: James Moses scored 19 points and Val Barnes 17 for the Hawkeyes (12-2, 1-1 Big Ten), who made 16 of 22 foul shots down the stretch in Iowa City.

No. 21 Southern Mississippi 84, Florida State 72: Darrin Chancellor and Daron Jenkins each scored 20 points as Southern Mississippi (6-1 overall, 1-0 Metro Conference) won by making 34 of 45 free throws, eight of 10 in the last 2½ minutes in Hattiesburg, Mississippi.

On Mark: 72 for Bradshaw, 186 for Marymount

The Associated Press

LOS ANGELES — U.S. International and Loyola Marymount have played the three highest-scoring games in National Collegiate Athletic Association history, and finally broke Pete Maravich's single-game record.

Kevin Bradshaw of U.S. International scored 72 points Saturday to break Maravich's record against a Division I opponent, but Loyola Marymount set an NCAA team scoring record in defeating the Gulls, 186-140.

Bradshaw, a senior, broke Maravich's record of 69 points set when he played for LSU against Alabama on Feb. 7, 1970. Loyola Marymount broke its own single-game record set Jan. 31, 1989, in a 181-150 victory against U.S. International, which was the highest-scoring game in NCAA history. Saturday night's game is the second-highest; the third-highest was Loyola Marymount 162, U.S. International 144, on Jan. 7, 1989.

Bradshaw played all 40 minutes, making 23 of 59 shots from the field, including seven of 22 from three-point range, and 19 of 23 free throws. He also had 10 rebounds.

Ten of Loyola's 11 players scored in double figures, five getting 24 points or more: Terrell Lowery with 34, Richard Petruska with 28, Chris Knight with 27 and Rahim Harris and Ross Richardson each with 24.

Freedom, but No Fame, Apparently Awaits Rose

New York Times Service

NEW YORK — This will be a momentous week for Pete Rose, sort of in the good news-bad news category. He will be released Monday from prison and he will be removed Thursday from eligibility for the Hall of Fame.

Rose, who would be eligible for the hall in a year, at one time was as certain a Hall of Famer as there ever was. After establishing his credentials on the field, however, Rose sullied them with his off-the-field actions. First, he was found to have bet on games, including those of the team he managed, then he was found to have filed false income tax returns. He was banished from baseball and sent to prison, and is now about to be punished by the Hall of Fame committee. The committee, however, will also harm its relationship with the baseball writers whose votes determine hall membership.

The committee will meet Thursday, ostensibly to discuss the rules of eligibility for the hall, and some committee members have said privately that no doubt exists about the outcome of their meeting: they will vote to change the eligibility rules so that Rose cannot be considered. Chances are that the baseball writers who vote would not give Rose the necessary 75 percent vote to be elected, but Hall of Fame officials want to leave no room for surprise.

The officials say Hall of Fame members who attend induction ceremonies each summer have told them they would stay away if Rose were elected to membership.

Once the committee takes that step, the Baseball Writers Association of America might reconsider its relationship with the Hall of Fame and its involvement in the voting.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct	GB
Boston	25	5	.833	—
Philadelphia	20	12	.625	6
New York	13	16	.448	11½
Washington	13	17	.433	12
New Jersey	10	20	.333	15
Miami	8	24	.250	18
Central Division				
Milwaukee	24	8	.750	—
Chicago	21	10	.677	2½
Detroit	22	11	.667	2½
Atlanta	18	13	.581	5½
Indiana	12	20	.375	12
Cleveland	11	21	.344	13
Charlotte	10	20	.333	13

WESTERN CONFERENCE

Midwest Division

	W	L	Pct	GB
San Antonio	21	7	.750	—
Utah	22	10	.688	1
Houston	18	13	.581	4½
Dallas	10	18	.357	11
Minnesota	9	21	.300	13
Orlando	8	24	.250	15
Denver	6	26	.188	17
Pacific Division				
Portland	28	5	.848	—
LA Lakers	18	10	.643	7½
Phoenix	19	11	.633	7½
Golden State	16	14	.533	10½
Seattle	14	15	.483	12
LA Clippers	11	21	.344	16½
Sacramento	7	22	.241	19

FRIDAY'S RESULTS

Indiana 29 29 21 17— 96
Atlanta 32 27 22 29—111

Miller 5-18 8-8 25, Person 10-16 1-1 21; Wilkins 12-23 8-10 36, Battle 3-13 12-14 16. Rebounds: Indiana 35 (Schrempf 8), Atlanta 61 (Malone 11). Assists: Indiana 27 (McCloud 9), Atlanta 22 (Robinson, Rivers 5).

Phoenix 27 32 18 26—103
Boston 31 36 35 30—132

Hornacek 9-15 4-4 22, Johnson 6-14 3-4 15; McHale 9-12 4-4 23, Bird 7-14 5-5 21, Shaw 9-13 3-4 21. Rebounds: Phoenix 48 (West 9), Boston 45 (Parish 11). Assists: Phoenix 29 (Johnson 11), Boston 32 (Bird 11).

Detroit 24 21 26 27—98
Cleveland 21 27 27 19—94

Aguirre 10-17 6-8 26, Dumars 7-14 11-12 25; Daugherty 6-13 9-12 21, Nance 10-17 1-2 21. Rebounds: Detroit 55 (Rodman 9), Cleveland 41 (Nance, Ehlo 8). Assists: Detroit 19 (Thomas, Dumars 5), Cleveland 25 (Ehlo 7).

Washington 30 24 28 29—111
Minnesota 24 35 21 28—108

King 11-22 4-6 26, Grant 10-20 5-6 25; Corbin 10-22 4-6 24, Campbell 10-28 3-4 23. Rebounds: Washington 62 (Grant, Ellison 9), Minnesota 45 (Spencer 11). Assists: Washington 37 (Walker 14), Minnesota 26 (Richardson 14).

San Antonio 27 22 22 22—93
New Jersey 24 21 25 19—89

Robinson 9-21 8-11 26, Anderson 7-18 0-0 14; Coleman 6-17 9-12 21, Blaylock 4-15 7-8 15. Rebounds: San Antonio 74 (Robinson 21), New Jersey 54 (Coleman 16). Assists: San Antonio 16 (Strickland 7), New Jersey 18 (Theus 7).

Philadelphia 23 23 25 28— 99
Utah 26 26 28 22—102

Barkley 12-23 10-15 35, Hawkins 9-16 7-7 27; J.Malone 12-18 7-7 31, K.Malone 10-23 4-5 24. Rebounds: Philadelphia 45 (Barkley 10), Utah 47 (Eaton 13). Assists: Philadelphia 23 (Turner 13), Utah 29 (Stockton 17).

Miami 21 21 33 11— 86
Seattle 27 25 24 36—112

Rice 6-18 6-7 20, Coles 5-12 5-5 15; Threatt 14-18 2-4 30, Kemp 9-14 4-6 22. Rebounds: Miami 51 (Thompson 9), Seattle 49 (Cage 13). Assists: Miami 14 (Coles 6), Seattle 32 (Payton 12).

L.A. Lakers 32 24 23 20— 99
Golden State 25 34 30 26—115

Scott 9-18 2-2 22, Johnson 5-14 6-9 16; Hardaway 12-25 4-5 29, Mullin 11-22 4-4 27. Rebounds: Los Angeles 58 (Divac 11), Golden State 56 (Lister 10). Assists: Los Angeles 22 (Johnson 13), Golden State 20 (Hardaway 7).

SATURDAY'S RESULTS

Minnesota 29 33 21 25 4—112
Atlanta 26 34 28 20 9—117

Campbell 14-27 5-6 34, Richardson 12-27 4-6 29; Battle 9-17 9-10 27, Wilkins 8-21 6-6 24. Rebounds: Minnesota 55 (Corbin 11), Atlanta 64 (Willis 19). Assists: Minnesota 22 (Richardson 11), Atlanta 23 (Koncak 7).

L.A. Clippers 25 29 22 27—103
Charlotte 31 27 24 29—111

Smith 8-19 9-12 25, Benjamin 9-15 1-3 19; Reid 11-19 3-5 25, Chapman 7-18 8-10 22, Newman 7-14 8-9 22. Rebounds: Los Angeles 54 (Benjamin 15), Charlotte 50 (Reid, Bogues 7). Assists: Los Angeles 25 (Manning 6), Charlotte 28 (Bogues 15).

New Jersey 28 19 14 22—83
Detroit 20 24 27 26—97

Coleman 7-17 1-2 15, Blaylock 6-15 0-0 13; Aguirre 11-28 1-2 23, Dumars 5-15 12-12 22. Rebounds: New Jersey 53 (Coleman 9), Detroit 59 (Rodman 16). Assists: New Jersey 22 (Blaylock 13), Detroit 19 (Dumars 8).

San Antonio 25 31 24 27—107
Orlando 23 22 23 22— 90

W.Anderson 13-17 1-2 27, Robinson 8-12 2-4 18; N.Anderson 3-10 8-8 14, Smith 4-13 5-6 13, Turner 5-11 3-4 13. Rebounds: San Antonio 68 (Robinson 13), Orlando 58 (N.Anderson 8). Assists: San Antonio 28 (Strickland 11), Orlando 17 (Skiles 9).

Cleveland 19 26 27 20— 92
Chicago 14 40 26 28—108

James 10-16 3-4 25, Daugherty 7-16 4-4 18; Jordan 12-26 6-7 30, Armstrong 8-12 2-2 18. Rebounds: Cleveland 45 (Daugherty 11), Chicago 49 (Grant 11). Assists: Cleveland 29 (Valentine 8), Chicago 29 (Armstrong 8).

Indiana 32 21 12 34— 99
Houston 24 32 22 34—112

M.Williams 6-10 10-12 22, Miller 4-11 6-6 14; Thorpe 12-21 5-6 29, K.Smith 11-17 0-2 22. Rebounds: Indiana 52 (Schrempf 9), Houston 64 (Thorpe 13). Assists: Indiana 19 (M.Williams 4), Houston 25 (Thorpe 6).

Phoenix 26 22 26 12— 86
Milwaukee 19 30 25 34—108

K.Johnson 13-24 8-10 34, McDaniel 8-16 4-4 20; Brickowski 9-13 6-6 24, Robertson 5-13 6-6 16. Rebounds: Phoenix 52 (Rambis, West 12), Milwaukee 43 (Robertson 7). Assists: Phoenix 18 (Johnson 5), Milwaukee 30 (Humphries 6).

Philadelphia 27 35 34 24—120
Denver 16 35 29 24—104

Barkley 16-22 8-11 41, Oliver 7-15 5-6 19; Davis 10-26 3-4 24, Adams 7-22 9-10 23. Rebounds: Philadelphia 70 (Mahorn 15), Denver 77 (Cook 18). Assists: Philadelphia 24 (Green 7), Denver 19 (Adams 9).

Miami 27 28 29 32—106
Portland 34 43 30 25—132

Burton 8-15 4-4 20, Thompson 7-17 2-2 16; Robinson 7-10 6-6 20, Duckworth 8-12 2-3 18. Rebounds: Miami 44 (Kessler 10), Portland 58 (Williams 11). Assists: Miami 22 (Coles 8), Portland 31 (Drexler 8).

Utah 29 25 30 22—106
Sacramento 24 29 19 26— 98

K.Malone 11-19 4-7 26, Edwards 10-13 0-0 20; Tisdale 8-19 6-7 22, Carr 8-13 4-6 20. Rebounds: Utah 44 (K.Malone 12), Sacramento 51 (Simmons 9). Assists: Utah 28 (Stockton 19), Sacramento 25 (Mays 5).

Major College Scores

FRIDAY'S RESULTS

Towson St. 85, Bucknell 84
South Florida 72, Stetson 71, OT
Texas-Arlington 103, SE Louisiana 72
Fresno St. 77, Long Beach St. 73
New Mexico St. 70, Pacific U. 68
UC Irvine 97, San Jose St. 88
UNLV 98, Fullerton St. 67
Utah St. 81, UC Santa Barbara 75

TOURNAMENTS

Florida Today Holiday Classic
Detroit 73, Brown 70

Tangerine Tournament
Cent. Florida 98, Brandon, Can. 87

SATURDAY'S RESULTS

EAST

Brooklyn Col. 78, Radford 64
Canisius 69, Fairfield 64
Connecticut 81, Pittsburgh 76
Drexel 85, Lafayette 65
Duquesne 98, St. Joseph's 95
East Carolina 97, Navy 81
Fairleigh Dickinson 81, Wagner 73
Fordham 87, Xavier, Ohio 74
George Washington 89, Boston U. 87, 2OT
Georgetown 73, Seton Hall 65
Harvard 73, Dartmouth 70
Holy Cross 85, Providence 84
Lehigh 94, Army 78
Maine 85, New Hampshire 64
Massachusetts 82, St. Bonaventure 55
N.C.-Wilmington 79, American U. 73
North Carolina 82, Notre Dame 47
Rhode Island 75, Penn St. 65
Robert Morris 94, Long Island U. 72
Rutgers 66, Delaware 63
Siena 94, Niagara 80
St. Francis, Pa. 98, St. Francis, NY 88
St. John's 75, Boston College 68
St. Peter's 81, Hartford 77
Temple 91, La Salle 86
Vermont 97, Cent. Connecticut St. 78
Villanova 76, Syracuse 66
West Virginia 71, Miami, Fla. 67
Yale 61, Colgate 49

SOUTH

Ala.-Birmingham 92, W. Kentucky 83
Alcorn St. 100, Miss. Valley St. 89
Augusta St. 57, Campbell 51
Charleston Southern 80, Davidson 74
Coll. of Charleston 64, Winthrop 56
Delaware St. 98, Bethune-Cookman 74
E. Tennessee St. 89, Appalachian St. 70
Florida 84, Auburn 82
Florida A&M 89, Md.-E. Shore 71
Furman 87, VMI 67
Georgia 107, Tennessee 86
Georgia St. 73, Stephen F.Austin 66, OT
Kentucky 93, LSU 80
Marshall 90, Citadel 81
Maryland 81, Clemson 65
Mercer 72, Butler 66
Morehead St. 73, Wis.-Milwaukee 61
Murray St. 71, Austin Peay 66
N. Carolina A&T 87, Howard U. 84
N.C.-Greensboro 84, Cornell 78
NE Louisiana 102, Nicholls St. 95
New Orleans 66, SW Louisiana 64
Northeastern 61, Va. Commonwealth 59
Oklahoma 64, James Madison 61
S. Carolina St. 85, Morgan St. 68
SE Louisiana 106, North Texas 108, OT
South Alabama 121, N.C. Charlotte 105
Southern Miss. 84, Florida St. 72
Southern U. 129, Grambling St. 86
Tennessee Tech 88, Tennessee St. 78
Tn.-Chattanooga 83, W. Carolina 62
Vanderbilt 66, Alabama 55
Virginia 81, Duke 64
Virginia Tech 81, Memphis St. 66

MIDWEST

Akron 73, Valparaiso 60
Bowling Green 75, W. Michigan 56
Cent. Michigan 70, Ohio U. 42
Creighton 98, Bradley 74
Dayton 103, Marquette 81
Drake 83, Tulsa 79
E. Michigan 86, Miami, Ohio 71
Evansville 75, S. Illinois 72
Illinois 63, Purdue 61
Indiana 99, Northwestern 58
Indiana St. 75, Illinois St. 70
Iowa 79, Michigan St. 66
Kansas 105, N. Carolina St. 94
Kent St. 83, Cleveland St. 67
Loyola, Ill. 82, Md.-Baltimore County 77
Minnesota 95, Youngstown St. 77
Missouri 88, Oklahoma St. 79, OT
N. Illinois 75, N. Iowa 64
Nebraska 74, Kansas St. 69
Ohio St. 67, Michigan 57
S. Utah 77, Chicago St. 69
SW Missouri St. 94, St. Louis 83
Toledo 71, Ball St. 65, OT
Wis.-Green Bay 70, W. Illinois 63
Wisconsin 74, Portland 50
Wright St. 98, Mo.-Kansas City 90

SOUTHWEST

Arkansas St. 61, Louisiana Tech 59
Lamar 104, Texas-Pan American 82
Rice 64, NW Louisiana 56
Texas 94, Baylor 77
Texas Christian 63, Southern Meth. 59
Texas Southern 72, Alabama St. 66
Texas Tech 77, Texas A&M 72
Texas-San Antonio 77, SW Texas St. 61

FAR WEST

Arizona 84, Washington St. 69
Arizona St. 68, Washington 60
Colorado 105, Iowa St. 81
Montana 66, Boise St. 56
Montana St. 85, Idaho St. 74
Oregon St. 59, California 55
UCLA 88, Louisville 81
Wyoming 92, New Mexico 79

TOURNAMENTS

Florida Today Holiday Classic
Florida Tech 56, Detroit 53
Brown 77, Dist. of Columbia 63

Tangerine Tournament
Rollins 78, Cent. Florida 70

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division

	W	L	T	Pts	GF	GA
N.Y. Rangers	24	13	7	55	168	134
Philadelphia	21	19	6	48	151	147
Pittsburgh	22	19	3	47	186	163
New Jersey	19	16	9	47	144	147
Washington	20	22	2	42	145	144
N.Y. Islanders	15	21	5	35	118	143
Adams Division						
Boston	21	13	8	50	147	138
Montreal	21	17	5	47	137	133
Buffalo	16	16	9	41	139	132
Hartford	18	20	4	40	120	140
Quebec	9	27	7	25	120	192

CAMPBELL CONFERENCE

Norris Division

	W	L	T	Pts	GF	GA
Chicago	28	13	3	59	146	115
St. Louis	22	13	6	50	148	122
Detroit	20	19	4	44	146	151
Minnesota	11	25	8	30	131	157
Toronto	12	27	3	27	120	167
Smythe Division						
Calgary	23	14	5	51	176	130
Los Angeles	21	14	5	47	162	134
Edmonton	19	18	2	40	128	122
Vancouver	18	23	3	39	140	163
Winnipeg	13	24	8	34	144	162

FRIDAY'S RESULTS

Winnipeg 1 0 0—1
Buffalo 2 1 1—4

Olausson (10); Hawerchuk (12), Ruuttu (9), Vaive (15), Mogilny (12). Shots on goal: Winnipeg (on Malarchuk) 7-9-10—26. Buffalo (on Essensa, Beauregard) 15-9-6—30.

Philadelphia 1 2 0 0—3
Washington 2 0 1 0—3

Craven (12), Lalal (4), Smith (7); Kypreos (6), Miller (9), Ciccarelli (9). Shots on goal: Philadelphia (on Beaupre) 4-17-3-0—24. Washington (on Hextall) 11-5-10-2—28.

Detroit 1 1 0—2
Edmonton 1 0 2—3

Fedyk (8), Yzerman (26); Gelinas (9), G. Smith (1), Tikkanen (16). Shots on goal: Detroit (on Ranford) 13-10-10—33. Edmonton (on Cheveldae) 11-9-8—28.

SATURDAY'S RESULTS

New Jersey 1 1 0—2
Pittsburgh 0 4 1—5

Muller (13), Lemieux (20); Murphy (6), Coffey (17), Recchi (23), Jagr (13), Errey (10). Shots on goal: New Jersey (on Barrasso) 12-9-9—30. Pittsburgh (on Terreri) 3-11-6—20.

Washington 2 2 1—5
Boston 1 1 1—3

Khristich (3), Ciccarelli 2 (11), Tippett (4), Hunter 10; Christian (18), Bourque 2 (8). Shots on goal: Washington (on Moog, Lemelin) 7-10-8—25. Boston (on Liut) 13-11-10—34.

Winnipeg 1 2 0—3
Hartford 1 2 1—4

Elynuik (17), Sykes (9), Numminen (6); Kastelic (2), Brown (10), Holik 2 (11). Shots on goal: Winnipeg (on Sidorkiewicz) 9-6-5—20. Hartford (on Essensa) 9-17-12—38.

Philadelphia 1 0 1—2
N.Y. Islanders 0 0 3—3

Craven (13), Tocchet (26); Volek (14), LaFontaine (24), Wood (13). Shots on goal: Philadelphia (on Healy) 5-4-12—21. New York (on Wregget) 4-8-8—20.

Detroit 0 0 0—0
Calgary 2 2 3—7

Sweeney (7), MacLellan (7), Roberts (18), Musil (5), Makarov 3 (14). Shots on goal: Detroit (on Vernon) 13-10-9—32. Calgary (on Cheveldae, Hanlon) 10-10-14—34.

Quebec 0 0 0—0
Montreal 0 0 3—3

Lebeau (13), Richer (17), Courtnall (13). Shots on goal: Quebec (on Roy) 7-7-4—18. Montreal (on Tugnutt) 7-24-12—43.

Los Angeles 0 3 1—4
Toronto 0 2 0—2

Robitaille (21), Kudelski (13), Tonelli (9), Sandstrom (19); Broten (11), Hannan (3). Shots on goal: Los Angeles (on Ing) 11-13-10—34. Toronto (on Hrudey) 11-17-10—38.

Vancouver 2 1 3—6
Minnesota 2 1 2—5

Quinn (7), Linden 2 (20), Larionov (7), Quinn (8), Bozek (11); Gavin (4), Smith (10), Modano 2 (14), Dahlen (18). Shots on goal: Vancouver (on Casey) 10-9-11—30. Minnesota (on Gamble) 5-11-13—29.

N.Y. Rangers 0 2 0 1—3
St. Louis 1 1 0 0—2

Ogrodnick (19), Turcotte (17), Nicholls (17); Hull 2 (41). Shots on goal: New York (on Riendeau) 11-11-8-4—34. St. Louis (on Richter) 14-15-9-4—42.

TENNIS

MEN

BP NATIONALS

In Wellington, New Zealand

Singles Semifinals

Lars Jonsson, Sweden, def. Omar Camporese (6), Italy, 5-7, 6-3, 7-6 (7-3); Richard Fromberg (3), Australia, def. Christian Bergstrom, Sweden, 6-3, 5-7, 7-6 (10-8).

Final

Fromberg def. Jonsson, 6-1, 6-4, 6-4.

AUSTRALIAN HARDCOURT

In Adelaide

Singles Semifinals

Niclas Kulti, Sweden, def. Magnus Larsson, Sweden, 7-5, 6-4; Michael Stich (6), Germany, def. Jim Courier (2), U.S., 6-4, 7-6 (8-6).

Final

Kulti def. Stich, 6-3, 1-6, 6-2.

WOMEN

DANONE OPEN

In Brisbane, Australia

Semifinals

Helena Sukova (2), Czechoslovakia, def. Linda Harvey-Wild, U.S., 6-1, 6-1. Akiko Kijimuta, Japan, def. Larisa Savchenko, Soviet Union, 6-2, 5-7, 6-2.

Final

Sukova def. Kijimuta, 6-4, 6-3.

SOCCER

ENGLISH FA CUP

Third Round

Arsenal 2, Sunderland 1
Aston Villa 1, Wimbledon 1
Barnet 0, Portsmouth 5
Barnsley 1, Leeds United 1
Blackburn 1, Liverpool 1
Blackpool 0, Tottenham 1
Bolton 1, Barrow 0
Brighton 3, Scunthorpe 2
Bristol Rovers 0, Crewe 2
Burnley 0, Manchester City 1
Charlton 1, Everton 2
Chelsea 1, Oxford 3
Chester 2, Bournemouth 3
Coventry 1, Wigan 1
Crystal Palace 0 Nottingham Forest 0
Hull 2, Notts County 5
Leyton Orient 1, Swindon 1
Mansfield 0, Sheffield Wednesday 2
Middlesbrough 0, Plymouth 0
Millwall 2, Leicester 1
Newcastle 2, Derby 0
Norwich 2, Bristol City 1
Oldham 3, Brentford 1
Port Vale 2, Peterborough 1
Sheffield United 1, Luton 3
Shrewsbury 4, Watford 1
Southampton 3, Ipswich 2
Swansea 0, Rotherham 0
West Bromwich 2, Woking 4
West Ham 6, Aldershot 0
Wolverhampton 0, Cambridge 1

ITALIAN FIRST DIVISION

Atalanta 3, Cesena 0
Bari 2, Pisa 0
Bologna 1, AC Milan 1
Fiorentina 1, Lazio 1
Internazionale 2, Genoa 1
Juventus 1, Napoli 0
Parma 0, Lecce 0
AS Roma 0, Cagliari 0
Sampdoria 1, Torino 2

Standings: Internazionale 21 points; Juventus 20; Sampdoria and Milan 19; Parma 18; Torino 16; Bari, Genoa, Lazio, and Atalanta 15; Roma and Napoli 14; Fiorentina and Lecce 13; Pisa 12; Bologna, Cagliari, and Cesena 9.

SPANISH FIRST DIVISION

Athletic Bilbao 0, Valencia 2
Real Mallorca 3 Real Zaragoza 2
FC Sevilla 2, Cadiz 1
Castellon 1 Real Sociedad 1
Barcelona 2, Logrones 1
Atletico Madrid 0 Oviedo 0
Sporting Gijon 0 Real Madrid 2
Osasuna Pamplona 1 Espanol 0
Tenerife 1 Betis Seville 1
Burgos 0 Real Valladolid 1

Standings: Barcelona 29 points; Atletico Madrid 23; Osasuna Pamplona 22; Real Madrid 21; FC Seville 20; Logrones and Athletic Bilbao 18; Oviedo, Burgos and Valencia 17; Castellon 16; Espanol, Sporting Gijon and Real Mallorca 15; Real Sociedad, Real Zaragoza and Real Valladolid 14; Tenerife 13; Betis Seville 10; Cadiz 8.

SKIING

World Cup

MEN

Top finishers in Saturday's downhill race at Garmisch-Partenkirchen, Germany: 1. Daniel Mahrer, Switzerland, 1 minute, 55.01 seconds; 2. (tie) Atle Skaardal, Norway, and Hannes Zehentner, Germany, 1:55.07; 4. (tie) Helmut Hoflehner, Austria, and Lasse Arnesen, Norway, 1:55.09; 6. (tie) Bernd Huber, Germany, and Rob Boyd, Canada, 1:55.13; 8. Franz Heinzer, Switzerland, 1:55.16; 9. Kristian Ghedina, Italy, 1:55.22; 10. Jan Einar Thorsen, Norway, 1:55.23.

Downhill standings: 1. Heinzer, 64 points; 2. Skaardal, 60; 3. Zehentner, 50; 4. Mahrer, 49; 5. Arnesen, 44; 6. Boyd, 39; 7. (tie) Leonard Stock, Austria, and Huber, 30; 9. (tie) Peter Wirnsberger, Austria, Luc Alphand, France, and William Besse, Switzerland, 20.

Top finishers in Sunday's super-G race at Garmisch-Partenkirchen: 1. Gunther Mader, Austria, 1 minute, 23.95 seconds; 2. Franz Heinzer, Switzerland, 1:24.24; 3. Marc Girardelli, Luxembourg, 1:24.29; 4. Lasse Arnesen, Norway, 1:24.58; 5. Kjetil Andre Aamodt, Norway, 1:24.60; 6. Kristian Ghedina, Italy, 1:24.62; 7. Luc Alphand, France, 1:24.66; 8. Josef Polig, Italy, 1:24.71; 9. Atle Skaardal, Norway, 1:25.04; 10. (tie) Lasse Kjus, Norway, and Urs Kaelin, Switzerland, 1:25.05.

Super-G standings: 1. Heinzer, 40 points; 2. Mader, 26; 3. Franck Piccard, France, 25; 4. (tie) Skaardal and Aamodt, 19; 6. Stefan Eberharter, Austria, 18; 7. Girardelli, 15; 8. Hannes Zehentner, Germany, 14; 9. Arnesen, 12; 10. Jean-Luc Cretier, France, 11.

Overall World Cup standings: 1. Heinzer, 104 points; 2. Alberto Tomba, Italy, 97; 3. Girardelli, 93; 4. Ole Christian Furuseth, Norway, 88; 5. Skaardal, 79; 6. Zehentner, 64; 7. Arnesen, 56; 8. Mader, 54; 9. Piccard, 53; 10. (tie) Tomas Fogdoe, Sweden, and Kaelin, 50.

WOMEN

Top finishers in Sunday's downhill race at Bad Kleinkirchheim, Austria: 1. Katrin Gutensohn, Germany, 1 minute, 36.03 seconds; 2. Sabine Ginther, Austria, 1:36.33; 3. Chantal Bournissen, Switzerland 1:36.62; 4. Kerrin Lee-Gartner, Canada, 1:36.76; 5. Warwara Zelenskaya, Soviet Union, 1:36.81; 6. Michaela Gerg, Germany, 1:36.92; 7. Carole Merle, France, 1:36.94; 8. Nathalie Bouvier, France 1:37.13; 9. (tie) Veronika Wallinger, Austria and Katja Seizinger, Germany, 1:37.19;

Downhill standings: 1. Gutensohn, 60 points; 2. Petra Kronberger, Austria, 48; 3. Ginther, 39; 4. Bournissen, 35; 5. Merle, 30; 6. Lee-Gartner, 27; 7. Zelenskaya, 26; 8. Karin Dedler, Germany, 22; 9. (tie) Seizinger and Wallinger, 19.

Overall World Cup standings: 1. Kronberger, 143 points; 2. Bournissen, 72 points; 3. Gutensohn, 69; 4. Ginther, 58; 5. Merle, 53; 6. Anita Wachter, Austria, 47; 7. Sigrid Wolf, Austria, 45; 8. Blanca Fernandez-Ochoa, Spain, 40; 9. Lee-Gartner, 36; 10. (tie) Pernilla Wiberg, Sweden and Vreni Schneider, Switzerland, 35.

CRICKET

Australia vs. England

Third Test, in Sydney

Second Day, Saturday

Australia 1st innings: 518 all out (157 overs)

Third Day, Sunday

Australia 1st innings total: 518

England 1st innings, at close: 227-3 (95 overs)

TRANSACTIONS

BASEBALL

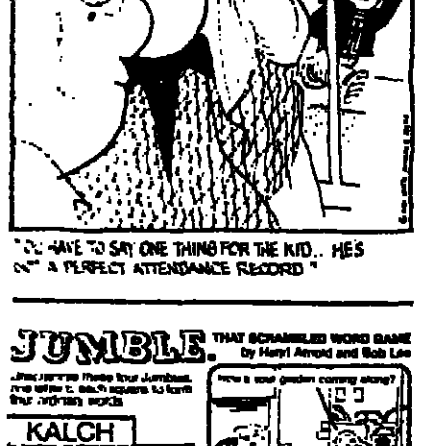
American League

BALTIMORE—Agreed to terms with Bob Melvin, catcher, on two-year contract.

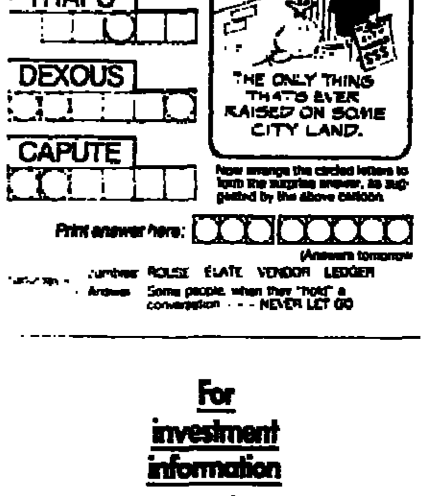
MINNESOTA—Named Jim Dwyer hitting instructor and Paul Kirsch first base coach for Portland, Pacific Coast League.

SEATTLE—Agreed to terms with Scott Bradley, catcher, on one-year contract.

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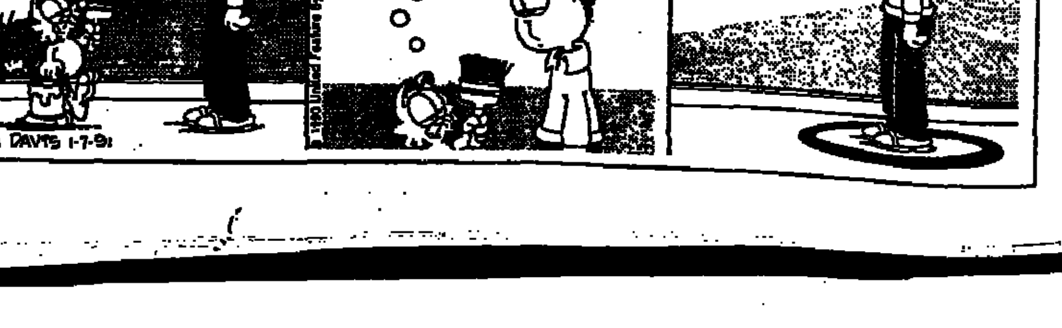
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NFL Playoffs: Round One Goes to Redskins, Bengals and Dolphins

Washington Exacts Payback

By Richard Justice
Washington Post Service

PHILADELPHIA — The Washington Redskins, putting to rest the ghosts that seemingly had chased them for three seasons, dismantled the Philadelphia Eagles, 20-6, in the National Football Conference's first wild-card game.

On a chilly, windless Saturday afternoon, the Redskins went into Veterans Stadium, one of the most hostile arenas in football, and outplayed and outhustled a team that, for the last month, had looked like the best the NFC could offer.

They got 126 yards from running back Earnest Byner, a heady performance from quarterback Mark Rypien and a dominating defensive game led by tackle Tim Johnson and cornerbacks Darrell Green and Martin Mayhew.

The day had begun with the team's coach, Joe Gibbs, telling his players "to leave everything we have out there on the field. We've worked too hard and prepared too long not to." So, at the end, he was almost emotional in describing how wide receiver Gary Clark had played despite a sore ankle and knee, offensive tackle Jim Lachey despite a bruised shoulder and how Rypien and Byner had returned after spraining ankles.

The Redskins will play the San Francisco 49ers or the New York Giants next Sunday. If the Chicago Bears beat the New Orleans Saints in a game late Sunday, the Redskins would play in Candlestick Park; if the Saints won, the Redskins would go to the Meadowlands.

The Redskins hadn't played a postseason game since winning the Super Bowl almost three years ago, and Saturday's victory came in a season in which they were backed into many corners, especially after losses in Dallas and Indianapolis, and two defeats to the Giants.

"People threw dirt on this team all year," linebacker Monte Coleman said. "But they didn't know we had shovels and would keep digging our way out."

Above all the other disappointments of a 10-6 season, there had been a single rallying point for the Redskins: a 28-14 loss to the Eagles eight weeks ago. Nine players were hurt in that game and the Eagles taunted them off the field, yelling at one point, "Do you guys need anymore body bags?"

Even after the sweetest of revenges, the Redskins refused to talk about that game, saying they'd decided in a players-only meeting Friday night that there would be no I-told-you-so's.

"This is a hard enough game as it is," Clark said. "You'd better not question someone's character unless you're sure of the character you're talking about."

Instead of pointing at the Eagles, the Redskins pointed at Rypien, who completed 15 of 31 passes for 206 yards and two touchdowns.

They pointed to a defense that sacked Randall Cunningham five times, kept the Eagles out of the end zone, forced three turnovers and so frustrated Buddy Ryan, Philadelphia's coach, that he stunned almost everyone by benching Cunningham for a series in the third quarter.

They also pointed to Byner and Gerald Riggs, who between them gained 94 yards rushing.

The Eagles, who talked for much of the week about playing the 49ers next, have lost three straight first-round games under Ryan.

This likely will be his last. The team's owner, Norman Braman, said Ryan's status will be evaluated in a few days, but sources throughout pro football believe that Ryan needed a victory to keep his job, especially after the decision to bench Cunningham, one of the NFL's most valuable players.

Cunningham completed 15 of 29 passes for 205 yards, with one interception. He completed only one pass to a wide receiver.

Trailing by 6-0 after the Eagles had kicked two field goals, Washington got its offense jumpstarted, beginning from its 32 with 8:24 left in the first half. Byner gained one and Rypien threw an incompletion before, on third and nine, he hit Art Monk for 28 yards, Byner for 23 and Monk for 16 and a touchdown.

On the play to Byner, Rypien ran the bootleg and found tight end Don Warren covered. He checked to Clark in the middle, then threw back across the field to Byner, who had been the focus of a play fake.

"I couldn't believe he saw me," Byner said. "I think I'm about the ninth receiver on that. Rip looked over and his eyes got the size of quarters."

The Redskins took control in the third quarter. While the Eagles got one first down in the period, the Redskins got a 29-yard field goal from Chip Lohmiller to make it 13-6 with 2:29 left.

Then, as the quarter ended, they drove 55 yards in five plays to make it 20-6. The big play was a 47-yard pass to Clark, who also caught a three-yarder for the touchdown.

"It's hard to win a game when you don't block anybody," said Ryan. "I don't think we were flat. The defense played excellent football. We just didn't get anything done on offense."



Robert Rosenthal/The Associated Press

Earnest Byner lost the ball and the Eagles' Ben Smith, left, grabbed it and ran 89 yards to the far end zone. But the play was ruled dead.

Officials Play It Again, and Eagles Lose 6 Points

By William N. Wallace
New York Times Service

PHILADELPHIA — Instant replay, a delight to some and a curse for others, made a significant impact on the game in Veterans Stadium, reversing what had appeared to be a touchdown play, the spectacular 89-yard run by the Eagles' Ben Smith, and costing the host team a much needed six points.

The reversal, ordered by the replay official, George Sladky, from the press-box booth, came late in the second period with the Eagles trailing the Redskins, 7-6.

One of the Redskins' cornerbacks, Darrell Green, had intercepted a pass by Randall Cunningham at midfield and the Washington offense had moved downfield on two passes from Mark Rypien to his running back, Earnest Byner, covering 23 yards.

Rypien passed to Byner in the flat for a third time, and Smith, a rookie cornerback, came up to make a hard tackle on the husky halfback. Byner lost the ball — just how and when became the issue — and after it took a backward bouncing dribble, Smith scooped it up.

He then took off on a long run the other way, weaving back and forth as three Redskins — Don Warren, Ricky Sanders and Gary Clark — came close, but not close enough to stop him. Smith's race to the Philadelphia end zone covered 89 yards. But was it a touchdown?

Apparently not. One of those seemingly interminable delays, the mark of the instant replay process, began next. The referee, the veteran Gene Barth, gave the crowd a clue as to what might come when he said, in amplified voice, "Down by contact."

Further messages flew, then came the announcement: no touchdown. The crowd bellowed and back came the ball to where Byner had hit the artificial turf, the Eagles' six-yard line.

The Eagles held for three downs, then Chip Lohmiller kicked a field goal for a 10-6 Washington lead four seconds before halftime.

The Eagles never recovered from losing the touchdown, which would have put them ahead, 13-7, after the extra point.

Sladky, the replay official, later explained his decision-making process to the news media pool reporter, Phil Anastasia of The Camden (New Jersey) Courier Post.

Asked what he saw in the videotape of the play, Sladky replied: "What I look for is whether the ground caused the fumble and whether contact was made before he hit the ground. And we had a good end zone television shot that clearly showed that he was contacted and came down with control and the ground caused the fumble."

Sladky's first look was at the picture the television audience saw. "It didn't show anything," he said.

"Then we had to stop the game to see what they had called," he said, referring to the officials. "There was no whistle on the field. So then ABC gave us a good end zone shot."

Sladky said that he looked at other camera views of Byner going down but that one was enough. When Byner, cradling the ball, went down, his elbow hit the ground first and, under football rules, that contact meant the play was over. Then the ball came out, Smith recovered and took off.

Sladky had no doubts that justice had been achieved. He was asked if there had been any question in his mind about the ball possibly being loose before Byner hit the ground.

"No, no, no," Sladky replied. And that was that.

In the season just completed, there were 504 occasions when the instant-replay process took a look at a play and a decision made on the field. Seventy-three times, about one time in seven, the decision was reversed. No reversal was bigger than that made Saturday.

'Run-and-Shoot' Backfires

The Associated Press

CINCINNATI — Houston's explosive run-and-shoot offense blew up in Cody Carlson's face Sunday, setting up the Cincinnati Bengals for a playoff rout.

The National Football League's top-ranked passing game fizzled behind the backup quarterback, who coming off an NFL career-best game that put both teams in the playoffs. Cincinnati quarterback Boomer Esiason took advantage by leading the Bengals to a 41-14 victory that set up a second-round playoff against the Raiders next Sunday in Los Angeles.

The defense and a steady drizzle stymied Carlson, allowing Cincinnati to amass impressive numbers. The Bengals outgained Houston 349 yards to 226 and had a 2-1 advantage in time of possession.

Esiason threw for two touchdowns and ran for another as Cincinnati controlled the ball in its most lopsided playoff victory. The Bengals were ahead by 20-0 before the Oilers managed a first down in the final minute of the first half.

Carlson, who completed 14 of 26 passes, took the blame.

"When you leave your defense on the field that long, they're going to start moving the ball," Carlson said. "And that's my fault. I should have been getting some drives going early, to get the crowd out of the game. I just didn't do it."

Ickey Woods and Eric Ball also ran for touchdowns to set up the rematch with the Raiders, who beat the Bengals in Los Angeles by 24-7 three weeks ago. The only problem for Cincinnati was injury: running back James Brooks dislocated his left thumb and it was put back in place at a local hospital.

His availability is unknown for the next round of the playoffs.

Carlson's failure to move the Oilers made the difference. The fourth-year quarterback put both teams in the playoffs last Sunday by completing 22 of 29 passes for 247 yards and three touchdowns in place of the injured Warren Moon. The 34-14 victory over Pittsburgh made the Bengals the American Football Conference's Central Division champions and the Oilers a wild-card team, both at 9-7.

But Sunday, Carlson completed just two of his first seven passes for 10 yards, and set up two Cincinnati touchdowns with an interception and a fumbled snap. He failed to get the Oilers past midfield until the final minute of the first half, when Houston got its first first-down, and had to endure taunts of "Cody, Cody," from the crowd.

Carlson underthrew receivers, overthrew them, and had the wet ball slip out of his hand twice as he tried to throw, bringing more taunts from the wet crowd.

The Oilers matched their season high by punting three times in the first half alone. Houston held the ball for less than five minutes in the first half, getting outgained by the Bengals, 222 yards to 36. And 30 of Houston's yards came on a completion on the last play of the half.

It was a remarkable failure for an offense that gained 400 yards in half of its regular-season games.

By contrast, Esiason completed 14 of 20 for 150 yards without an interception, threw touchdown passes of 2 yards to Harold Green and 9 yards to Eric Kattus, and ran 10 yards for a third-quarter touchdown that put the game out of reach at 34-0.

Chiefs' Lewis Ventures and Miami Gains

By Malcolm Moran
New York Times Service

MIAMI — In the kind of instant that can help create a shocking extension of a team's season and a cruel end of another's, Albert Lewis's calculated but costly risk allowed Miami's Mark Clayton to catch a 12-yard touchdown pass with 3 minutes, 28 seconds to play and defeat Kansas City, 17-16, in an American Football Conference playoff game.

Clayton's catch, on Dan Marino's second touchdown pass of the fourth quarter and his 10th consecutive completion, helped the Dolphins overcome a 13-point fourth quarter deficit Saturday in their first playoff game in five years.

But despite Marino's eight completions in eight fourth-quarter attempts, for 101 of his 221 yards, the Miami victory was not complete until Nick Lowery's kick for a 52-yard field goal with 49 seconds to play fell just short of the crossbar.

Lowery, who was successful on 34 of 37 regular-season attempts, including the final 21, made kicks of 27, 25 and 38 yards to help the Chiefs gain a 16-3 lead at the end of the third quarter.

His last kick could have come from 13 yards closer. But a holding penalty against rookie guard David Szott, and a three-yard loss by Christian Okoye forced the unsuccessful 52-yard attempt and left the Chiefs with three playoff defeats since their last postseason victory, 21 years ago in the Super Bowl.

Miami advanced to a second-round game against the Buffalo Bills next Saturday in Orchard Park, New York.

For three quarters, Miami's only score was a playoff-record 58-yard field goal by Pete Stoyanovich, five seconds into the second quarter. It surpassed the playoff-record kick of 54 yards set by Eddie Murray of the Detroit Lions in a 1983 game at San Francisco.

Then, with Miami trailing by six points, having driven 73 yards to the Kansas City 12-yard line, Lewis made a costly decision.

After reading a Miami formation that, he said, indicated a pass toward the sideline, Lewis said the late time in the game, combined with the Chiefs' inability to stop the Dolphins in the fourth quarter, led him to decide to go for an interception.

"I never considered what would happen if I missed it," Lewis said. "It just sailed down lower than I anticipated."

When Lewis ran by the pass at the six-yard line, Clayton made the catch, pivoted to his left, touched the grass with his left hand to maintain his balance, and went in for the winning score.

"I didn't think he was going to intercept it," Clayton said. "But he could have knocked it down. But when you go for the football, you run the risk of not making the tackle. And if they don't tackle me, I'm not going down."

NFL Playoffs

Washington	0	10	10	0—20
Philadelphia	3	3	0	0— 6

First Quarter
Phi—FG Ruzek 37, 8:29.
Second Quarter
Phi—FG Ruzek 28, 4:42.
Was—Monk 16 pass from Rypien (Lohmiller kick), 9:06.
Was—FG Lohmiller 20, 14:56.
Third Quarter
Was—FG Lohmiller 19, 12:31.
Was—Clark 3 pass from Rypien (Lohmiller kick), 14:57.

	Was	Phi
First downs	15	14
Rushes-yards	35-93	28-148
Passing	206	170
Return yards	34	45
Comp-att-int	15-31-1	15-32-1
Sacked-yards lost	5-35	0-0
Fumbles-lost	2-1	2-2
Penalties-yards	3-23	4-40

INDIVIDUAL STATISTICS
RUSHING—Washington, Byner 18-69, Riggs 14-45, R.Sanders 1-3, Rypien 2-(minus 4). Philadelphia, Cunningham 7-60, Sherman 17-53, T.Sanders 2-12, Toney 2-3.
PASSING—Washington, Rypien 15-27-1-206. Philadelphia, Cunningham 15-29-1-205, McMahon 0-3-0-0.
RECEIVING—Washington, Byner 7-77, Clark 4-63, Monk 2-44, R.Sanders 2-22. Philadelphia, K.Jackson 5-116, T.Sanders 5-47, Byers 2-18, Sherman 2-15, Williams 1-9.

Kansas City	3	7	6	0—16
Miami	0	3	0	14—17

First Quarter
KC—FG Lowery 27, 9:56.
Second Quarter
Mia—FG Stoyanovich 58, :05.
KC—S.Paige 26 pass from DeBerg (Lowery kick), 13:06.
Third Quarter
KC—FG Lowery 25, 10:14.
KC—FG Lowery 38, 12:05.
Fourth Quarter
Mia—T.Paige 1 pass from Marino (Stoyanovich kick), 2:42.
Mia—Clayton 12 pass from Marino (Stoyanovich kick), 11:32.

	KC	Mia
First downs	15	23
Rushes-yards	24-103	32-98
Passing	264	213
Return yards	16	0
Comp-att-int	17-30-1	19-30-0
Sacked-yards lost	1-5	2-8
Fumbles-lost	0-0	2-2
Penalties-yards	4-35	3-22

INDIVIDUAL STATISTICS
RUSHING—Kansas City, Okoye 13-53, Word 9-13, McNair 2-7, Miami, S.Smith 20-82, Logan 7-17, T.Paige 1-2, Marino 4-(minus 3).
PASSING—Kansas City, DeBerg 17-30-1-269, Miami, Marino 19-30-0-221.
RECEIVING—Kansas City, S.Paige 8-142, McNair 3-22, Horry 2-59, Roberts 2-26, R.Thomas 1-15, Hayes 1-5, Miami, Clayton 5-44, T.Paige 5-38, Duper 3-34, Edmunds 2-49.

Houston	0	9	7	7—14
Cincinnati	10	10	14	7—41

First Quarter
Cin—Woods 1 run (Breech kick), 6:24.
Cin—FG Breech 27, 13:58.
Second Quarter
Cin—Green 2 pass from Esiason (Breech kick), 5:42.
Cin—FG Breech 30, 14:17.
Third Quarter
Cin—Ball 3 run (Breech kick), 3:26.
Cin—Esiason 10 run (Breech kick), 3:51.
Hou—Givins 16 pass from Carlson (Garcia kick), 9:45.
Fourth Quarter
Cin—Kattus 9 pass from Esiason (Breech kick), :31.
Hou—Givins 5 pass from Carlson (Garcia kick), 8:01.

	Hou	Cin
First downs	13	24
Rushes-yards	13-67	44-187
Passing	159	163
Return Yards	19	85
Comp-Att-Int	16-33-1	15-25-0
Sacked-Yards Lost	1-6	0-0
Fumbles-Lost	2-1	1-0
Penalties-Yards	5-33	4-40

INDIVIDUAL STATISTICS
RUSHING—Houston, Pinkett 5-45, Carlson 4-22, White 4-3, Cleveland, Esiason 3-57, Green 11-33, Ball 7-33, Brooks 6-17, Jennings 6-16, Hipps 6-11, Wilhelm 3-(minus 21.
PASSING—Houston, Carlson 16-33-1-165. Cincinnati, Esiason 14-24-0-150, Wilhelm 1-1-0-13.
RECEIVING—Houston, Givens 6-60, Norris 4-37, Jeffries 3-32, Duncan 1-15, Pinkett 1-10, White 1-6, Hill 1-5, Cincinnati, Holman 2-51, McGee 2-25, Kattus 2-19.



By Steve Holland/The Associated Press

Edwin Jongejans of the Netherlands was in fine form winning the one-meter springboard gold medal.

Dutch, U.S. Longshots Stun Chinese Divers

The Associated Press

PERTH, Australia — Edwin Jongejans of the Netherlands, a Florida-based diver regarded by all but himself as a longshot, surprised the favored Chinese to win the men's one-meter springboard diving gold medal at the World Swimming Championships.

Second place was also an upset. Mark Lenzi, the National Collegiate Athletic Association's one-meter champion from Indiana University, edged Wang Yijie of China for the silver medal on Saturday.

Jongejans finished ahead of Lenzi, 588.51 points to 578.22. Wang was less than a point behind, at 577.86.

It was the best major international finish for either of the top two. Jongejans's victory ended more than 12 years of American domination of men's diving at the world championships.

Chinese and Germans Share Swim Spotlight

Reuters

PERTH, Australia — Dirk Richter, a world champion for East Germany nearly a decade ago, led the German swimming team to its first victory Sunday at the World Swimming Championships.

China's Qian Hong set a world-best mark for the women's 50-meter butterfly, clocking 27.30 seconds to cut 0.07 seconds from the time set in December 1985 by East Germany's Kornelia Gressler in East Berlin.

Richter, who won the world 100-meter backstroke as a 17-year-old in 1982, produced a typically forceful performance to win the 50 backstroke in a low-key prelude to the official swimming events that begin Monday. He was clocked in 26.44 seconds and beat Commonwealth gold medalist Mark Tewksbury of Canada (26.57) and Vladimir Shemetov of the Soviet Union (26.67).

Thilo Haase, from former East Germany, followed with victory in the 50 butterfly, then Richter and Nils Rudolph joined two west Germans to win the 4x50 freestyle relay after their teammates had won the women's relay.

China won three events but the gala received limited support, with the U.S. team skipping it. Australians competing only in the morning heats and others entering second-string lineups.

China's Yang Wenyi took the women's 50 backstroke, touching in 29.53, and Chen Jianhong foiled a German sweep of the men's titles, winning the 50 breaststroke in 28.67.

Inia Landik of the Soviet Union won the women's 50-meter breaststroke in 32.65.



Doug Jennings/The Associated Press

Mark Clayton clutched the ball after scoring the touchdown that gave the Dolphins their victory.

SIDELINES

Kite Leads by 2 in Champions Golf

CARLSBAD, California (NYT) — Tom Kite shot past Lanny Wadkins to take a two-shot lead into the final round of the Tournament of Champions.

Kite's 68 gave him a three-round total of 13-under-par 203. Wadkins, who struggled with a one-over-par 73, and Fred Couples, who shot Saturday's best round with a 67, were at 205.

"I'm really excited about this year," said Kite, entering his 20th year on the PGA Tour. "I don't care if I shoot 95 tomorrow."

● P.J. Boatwright, 63, the executive director of rules and competitions for the U.S. Golf Association, was admitted to the Sloan-Kettering Memorial Cancer Center in New York on Friday. *(NYT)*

Olajuwon Out for at Least a Month

HOUSTON (AP) — Steve Patterson, general manager of the Houston Rockets, has asked NBA officials to review an incident that will result in All-Star center Akeem Olajuwon missing at least a month.

Olajuwon was knocked unconscious when he was hit by an elbow of the Chicago Bulls' Bill Cartwright in Thursday night's game as both players went for a rebound in the third period.

Patterson said that Olajuwon sustained a "blowout fracture of the floor and the medial wall of the right orbit which houses the eyeball."

For the Record

Monica Seles, ranked No. 2 on the women's world tennis circuit, pulled out of the New South Wales Open tennis championships on Sunday, citing physical and mental exhaustion. *(Reuters)*

A hearing for Butch Reynolds, world record holder in the 400 meters, to appeal his two-year doping suspension was postponed indefinitely Friday after his attorneys filed a lawsuit against the U.S. and world governing bodies for athletics. *(Reuters)*

Rod Rust was fired Friday as coach of the New England Patriots after one NFL season, one victory and 15 losses. *(AP)*

Carney Lansford, the third baseman of the Oakland Athletics, probably damaged the medial collateral and anterior cruciate ligaments of his left knee in a snowmobile accident and will require surgery. *(AP)*

Heinzer Assumes World Cup Lead, Gutensohn Wins Women's Downhill

The Associated Press

GARMISCH-PARTENKIRCHEN, Germany — Günther Mader of Austria won a World Cup super-giant slalom Sunday, while Franz Heinzer of Switzerland became the Alpine ski season's overall men's leader by finishing second.

On the women's circuit, World Cup downhill champion Katrin Gutensohn of Germany won her second downhill race of the season Sunday, winning in Bad Kleinkirchem, Austria. Petra Kronberger, who has dominated the competition this season, finished 13th but maintained a sizeable lead in the overall standings.

That was more than could be said of Alberto Tomba of Italy, whom Heinzer passed to move into the lead on the men's circuit. Tomba, who dislikes the speedy downhill and super-G races, did not compete at Garmisch-Partenkirchen.

Heinzer, who got 20 points Sunday and eight points for finishing eighth in Saturday's downhill, has 104 points. Tomba has 97 and Marc Girardelli of Luxembourg, who finished third Sunday and received 15 points, moved to third overall with 93.

Mader was timed in 1 minute, 23.95 seconds, in the sixth World Cup victory of his career.

Heinzer, who also placed second in the first super-G of the season, was timed in 1:24.24.

"I am a little surprised to be leading in the World Cup, but I am not thinking of the overall title," said Heinzer, who is a downhill specialist and leads the downhill and super-G standings. "There are too many slalom and giant slaloms left."

Heinzer was fourth out of the gate, after the first three racers had all missed gates. They were Frank Piccard of France, the Olympic champion and winner of the season's first super-G, and two Swedes, Niklas Henning and Lars-Boerje Eriksson.

"I was aware of what happened to them and I think I was more cautious," Heinzer said. "I slowed down at the gates. It's better to be second than not to finish."

Mader, starting immediately after Heinzer, blazed through the course that had several sharp curves and sudden jumps.

Saturday's downhill was won by Daniel Mahrer of Switzerland, who was clocked in 1:55.01 in his first cup victory this season.

"It was incredibly difficult," Mahrer said. "You had to go all out from top to bottom. It was icy."

The victory gave him a place on the Swiss team for the World Championships, which start Jan. 21 at Saalbach, Austria.

In the women's downhill Sunday, Gutensohn edged Austrian Sabine Ginther, skiing the course in 1:36.03 seconds, 0.30 seconds ahead of Ginther.

Kronberger was racing with her hand in a light plaster cast, but said that the injury did not hinder her.

"I took the most elegant line on the course, that was my biggest mistake," she said, adding that three consecutive bumps at mid-course had upset her balance.

The race was held in brilliant sunshine, a contrast to Saturday's practice run that was ended because of bad weather. During practice, Sigrud Wolf, Austria's Olympic super-G gold medalist, hit a barrier on a fog-bound curve.

She tore ligaments in her right knee and is expected to miss the rest of the season.

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France's *Grande Ecole* of Hard Knocks

By Barry James
International Herald Tribune

PARIS — If Voltaire, who abandoned his law studies to become a writer, were to come back to life, he might have trouble getting a decent job in modern France.

For, while the Jesuits gave him a good education, his curriculum vitae would lack the necessary university degree — let alone a piece of parchment from the haughty *grandes écoles* that decant their graduates into the upper reaches of government and industry.

The resulting mandarinate is as impregnable a caste as any in Europe. It is constantly criticized for being Parisian, too hermetic, too bureaucratic and formed of people judged by their diplomas rather than their gifts.

As Marshal Philippe Pétain once observed, such Brahmins "know everything."

"Unfortunately," he added, "they do not know anything else."

Alain Peyrefitte remarked in his book "Le Mal Français," that there is no other country where "degrees are so highly respected, their validity so long-lasting." In the United States, a good degree helps you get a job, he said, but he added that after a few years it is experience and talent that carries you to the top. In France, by contrast, the right piece of paper "carries you right through to retirement, barring the unforeseen."

Given France's obsession with academic titles and degrees, it is all the more unexpected to discover how many Frenchmen and women have succeeded in life without the benefit of formal qualifications.

A recent television program on the subject turned up some surprising names. Among them: Pierre Bérégovoy, the minister of finance; François Michelin, the senior managing partner of Michelin & Compagnie, the tire and rubber manufacturer with 117,000 employees around the world; and Pierre Bergé, chief executive officer of Yves Saint Laurent, the luxury goods maker, who is also director of the Paris Opéra. Bergé, incidentally, got his start in life by running a newspaper set up by Garry Davis, the self-styled World Citizen No. 1, who got into numerous legal scrapes for issuing his own passports.



Henri Gansier/Camera Press

In the shadow of Voltaire: France's self-made men include René Monory, left, and Pierre Bergé.

François Pinault, founder and chief executive officer of Groupe Pinault — a holding company with interests in the production of pulp and paper, 34,000 employees in 30 countries and an annual turnover of 32 billion francs (about $6.4 billion) — made it to the top with no paper qualification other than a driver's permit.

Seated at his desk before dawn recently — long before most Frenchmen were at work — Pinault, 54, said that having no laurels to rest on can be something of an advantage in business.

It tends to lead, he said, to a zest for acquiring knowledge in the broad sense, which is not always true of those who graduate with high honors and seldom open another book.

Pinault, who did not even know how to create a balance sheet when he started his company, said he reads voraciously — mostly histories, biographies and books about art and ancient civilizations.

He said success in business depends on "instinct, the ability to spot the opportunities that others do not see, the capacity to visualize the fruits of your labors.

"You have to be a little bit crazy, but at the same time keep your eyes wide open," he said.

These are not necessarily the qualities they teach in prestigious schools, where the near certainty that a good degree will land a good job does not necessarily spur a risk-taking or innovative spirit. Pinault said some superior graduates look askance when told to pick up a briefcase and go out and sell. When looking at job applicants, Pinault said he always asks first what the person has done in life before considering his or her academic qualifications.

"Without a good degree you will never belong to the inner circle of the establishment," he said, "but that is not necessarily the objective."

More than half the chairmen of the 200 biggest French companies are graduates of the Ecole Polytechnique, the country's most prestigious school of science and engineering, or the Ecole Nationale d'Administration. They are selected after rigorous written tests from among the intellectual elite. But according to the magazine Le Point, two-thirds of those who create their own businesses are self-made men, or what the French call *autodidactes*, although this is clearly because many of them do not have much choice.

No two are alike. Paul-Loup Sulitzer, businessman and best-selling novelist, boasts that his highest diploma is a lifeguard's certificate. Philippe Bouvard, former editor of France-Soir, learned his trade on a regimental newspaper in the army, which he says is "is to journalism what an army band is to music." Gilbert Trigano, who helped found the Club Méditerranée vacation empire, started out in his father's delicatessen. Pierre Cardin began as a tailor's cutter before founding his own fashion house.

One thing that many of the successful graduates from the school of hard knocks share is a commitment to education, and the recognition that few can do it their way without an extraordinary combination of talent, luck, drive and hard work.

An example of such commitment was shown by René Monory, the former education minister, who reached the cabinet without even the benefit of the end-of-school *baccalauréat* certificate.

A former dealer in automobiles and farm machinery, Monory set out as minister to radically improve educational standards. The Monory plan, although limited by financial constraints, calls for three out of four students to leave school with a *baccalauréat* by the end of the century instead of about 40 percent at present.

The aim is to increase France's educational level so that the country can better compete in the information revolution.

But some say that yet more emphasis on formal academic qualifications — as opposed to the more flexible apprenticeship training available in Germany — may not achieve the desired effect.

First, they say, it is likely to pitch those excluded from academic attainment even deeper into a black hole, at the risk of increasing social tension.

Second, with so many people chasing after degrees and diplomas, the value of paper qualifications in getting a job is certain to diminish for all but the well-buttressed elite. Many companies already resort to a barrage of bizarre interview techniques, from astrology to tarot card reading, before hiring anyone.

According to Michel Godet, an economist, France is producing a society as "rigidified by a hierarchy of diplomas as the *ancien régime* was rigidified by titles of nobility."

"The crown of an academic title bestows on some a lifelong privilege — that of belonging to a superior category — and on others an almost definite exclusion from this category," he said.

But like many of his hard-working, inquisitive *autodidactes*, François Pinault is too busy to bother about belonging or being excluded from the mandarinate. "Success," he said, "that's an abominable word. It means the game is over. For me, every day is a new challenge."

LANGUAGE

Sovereignty in the Socialist Union

By William Safire

WASHINGTON — It's name-changing day in the socialist Eden.

Leningrad's officials told former Senator Gary Hart, who now represents American businesses active in the Soviet Union, that they expect the name of their city to be changed back to Petrograd. (Built by Peter the Great and named after the Christian Saint Peter, it was called at first "St. Petersburg," but in Russian merely "Petrograd," or "Peter's city," thereby fuzzing the honoree.)

But there is this reason for the delay: It will cost millions of rubles to remove the signs, fill in the granite and marble chiselings, print new guidebooks and maps, and buy new government stationery. Residents already refer to the city as "Pete"; as soon as they get the money, they'll change the name officially.

Mikhail Gorbachev, however, is harder pressed to change the name of the Soviet Union, which in English is officially the "Union of Soviet Socialist Republics," or U.S.S.R. He is willing to scrap the word *soviet* or *socialist* to save the Union.

With socialism in disrepute and the notion of the sovereignty of the constituent republics on the rise, a delegation from Kazakhstan told the Soviet legislature that it preferred "Union of Soviet Sovereign Republics," substituting *sovereign* for *socialist*.

Gorbachev, willing to adopt *sovereign* so long as he could keep the ideologically unifying *socialist*, jettisoned *soviet*, a Russian word for "council" long associated with the Bolshevik Revolution, and put forward "Union of Sovereign Socialist States." This does not have the advantage of keeping the old initials, but seems to copy the American use of *states* as being less sovereign, or independent, than *republics*.

Socialist is obviously under fire; that word first appeared in print in 1827 in England's Co-operative Magazine, which compared the stand of "Political Economists" with "the Communionists or Socialists" on whether "capital should be individual or in common." In 1840, *communism* was coined.

At this writing, the question of Soviet nomenclature (not to be confused with *nomenklatura*, or "elite") has not yet been decided. If you plan to open an office in the Soviet Union, it might be a good idea to postpone the engraving of expensive stationery with "Leningrad, Union of Soviet Socialist Republics"; the post office may soon insist on "Petrograd, Russia."

The fight over these words reflects the struggle going on in the Kremlin over the meaning of *sovereign*. Gorbachev apparently feels he can live with the word used by his rival, Boris Yeltsin, provided it is hedged in with words like *socialist* and states in the limited American sense, and follows the key word *union*.

This is resisted by Yeltsin in Russia and other nationalist leaders in Soviet republics like Georgia and Ukraine. They want little or no mention of *union* and the devolvement of *sovereignty* from the Kremlin to the republics. Their sovereignty message: devolution to avoid revolution.

Let's pull the word up by its roots and try to find the meanings: *sovereign* is from the Middle English *sovereine*, in turn from the Old French *soverain*, from the Latin *super*, "above, over."

The meaning of the noun in English began as "acknowledged leader" in this citation circa 1290: "For, sire king, thou art mi soverein." Then different senses emerged for the adjective *sovereign*: one took the road of "supreme" in the sense of "excellent, none better than," but that faded in time; another connotes "above all other authority" as in "a sovereign leader," reflecting the use of the noun form for "the king, queen or ruler." A third sense developed out of the second, as the personal tie binding vassal to leader became a territorial tie binding people to territory, with such synonyms as "independent, autonomous, autarkic, self-governing, free from external control." (I hesitate to include a fourth meaning, "of a husband in relation to his wife," which is as obsolete as meanings get.)

In its most famous use in U.S. political history, *sovereign* signified local decision making without separation. *Pop-sov* was 1860 Democratic presidential candidate Stephen Douglas's position on the extension of slavery to the territories: *popular sovereignty* was used as we use *local option* today, to mean local or state decision making on difficult issues.

□

Can *sovereignty* be diluted or pooled and retain its meaning? Yes; The London Gazette reported in 1712 that "The Canton of Berne (Switzerland) shall be admitted into the Co-Sovereignty of the common Bailliages." In 1793, Thomas Jefferson wrote that a leader "proceeds . . . to act as co-sovereign in the territory," and in 1820 wrote that the U. S. Constitution "has wisely made all the departments co-equal and co-sovereign between themselves." (Today's usage frowns on *co-equal* as redundant and prefers *among* to *between* with more than two, but now I sound like carping John Adams.)

A related term, from the same Old French root, is *suzerain*, originally "a feudal lord to whom fealty is due from a vassal," which has now come to mean "a nation that controls the foreign relations of a vassal state but permits self-government in internal affairs."

George P. Shultz, one of Jefferson's successors as secretary of state, noted in an etymologically dramatic speech "On Sovereignty" in October 1989 that "the Declaration of Independence places sovereignty in the people," which is "exercised on behalf of the people by both federal and state authorities." Similarly, as nations bound themselves in international associations, they "have accepted limitation of their sovereign rights to act as they choose . . . affected powerfully by technology, by the way borders are becoming porous, almost irrelevant, in more and more areas of sovereign importance: money, ideas, information, missiles."

In the Shultz definition, "the concept of absolute sovereignty is long gone." He sees "divided sovereignty" as today's fact (much as Jefferson glommed on to "co-sovereignty"), and suggests to Middle East policy makers that "a little creativity about new mixes of sovereignty might help right now."

As it turns out, that is what Mikhail Gorbachev is looking for, but what other Soviet leaders are working against. People who insist on political recognition of their long-submerged national identities, as in the Baltic states, are derogated as *disunionists* and *separatists* or hailed as *freedom fighters* and *patriots*; a more neutral term is *nationalists*. When *sovereignty* becomes a fighting word, peacemakers tend to turn toward a word that directs itself to free behavior rather than to territorial ownership: *autonomy*.

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